Public Service Commission 2003-2004 Annual Report

THE COMMISSION INVITES YOUR COMMENTS ABOUT OUR ANNUAL REPORT.

Fax: (613) 992-9352

Phone: National Capital Region Headquarters
(613) 992-9562

Internet: www.psc-cfp.gc.ca

E-mail: infocom@psc-cfp.gc.ca

This Report is available in Braille and large print.

For an electronic version of this Report, please consult the PSC Web site at www.psc-cfp.gc.ca

© Her Majesty the Queen in Right of Canada, represented by the Public Service Commission of Canada, 2004

Cat. No. SC1-2004

ISBN 0-662-68275-0

The Honourable Liza Frulla, P.C. M.P.
Minister of Canadian Heritage
House of Commons
Ottawa, Ontario
K1A 0A6

Dear Minister:

We have the honour of asking you to transmit for tabling in Parliament the Report of the Public Service Commission of Canada for the 2003-2004 fiscal year.

It is submitted to Parliament in accordance with section 47 of the *Public Service Employment Act* (Chapter P-33, Revised Statutes of Canada, 1985).

Yours sincerely,

Maria Barrados
President

Manon Vennat
Commissioner

David Zussman
Commissioner

MISSION OF THE PUBLIC SERVICE COMMISSION OF CANADA (PSC)

The mission of the PSC is, through its statutory authorities, to:

Maintain and preserve a non-partisan Public Service, able to provide service in both official languages, staffed with competent employees, that is representative of the Canadian population it serves.

The PSC is an active partner in developing the broad framework for human resources management and ensuring the health of the federal human resources system, within the scope of its mandate.

PSC VISION

An independent agency reporting to Parliament accountable for merit in staffing and a key partner in shaping an effective and respected Public Service for Canadians.

PSC STRATEGIC OUTCOME

The current Strategic Outcome of the PSC is, within its legislative mandate, to assist in providing Canadians with:

- A highly competent, non-partisan and representative Public Service with appointments based on the values of fairness, equity of access and transparency.
- A timely, efficient and flexible values-based staffing system owned by Public Service managers.
- A Public Service that builds on its competencies through development and continuous learning.

Note – These Mission and Vision statements are currently under review, with the intention of re-drafting them to better reflect our mandate under the new *Public Service Employment Act* and the renewed governance structure of the Public Service Commission.

TABLE OF CONTENTS

PRESIDENT'S MESSAGE 1

CHAPTER 1: INTRODUCTION 4

1.1 THE PUBLIC SERVICE COMMISSION IN A CHANGING LEGISLATIVE ENVIRONMENT 4
1.2 PSC INITIATIVES 5
1.3 ORGANIZATION OF THE REPORT 7

CHAPTER 2: STAFFING SYSTEM PERFORMANCE: VALUES AND PRINCIPLES 10

2.1 INTRODUCTION 10
2.2 COMPETENCY: A RESULTS VALUE 14
2.3 NON-PARTISANSHIP: A RESULTS VALUE 18
2.4 REPRESENTATIVENESS: A RESULTS VALUE 22
2.5 EQUITY OF ACCESS: A PROCESS VALUE 31
2.6 FAIRNESS AND TRANSPARENCY: PROCESS VALUES 34
2.7 FLEXIBILITY AND EFFICIENCY: MANAGEMENT AND SERVICE DELIVERY PRINCIPLES 40
2.8 KEY STAFFING ISSUES 44

CHAPTER 3: RECRUITMENT 50

3.1 INTRODUCTION 50
3.2 GENERAL OBSERVATIONS ON RECRUITMENT 51
3.3 CASUAL HIRES 52
3.4 SPECIFIED PERIOD (TERM) EMPLOYMENT 52
3.5 INDETERMINATE HIRES 52
3.6 NATIONAL AREA OF SELECTION 53
3.7 E-RECRUITMENT 55
3.8 USING RADII TO DEFINE AREAS OF SELECTION IN THE ATLANTIC REGION 56
3.9 RECRUITMENT OF BILINGUAL CANADIANS: *ACTION PLAN FOR OFFICIAL LANGUAGES* 57

3.10 RENEWAL THROUGH RECRUITMENT OF YOUTH 61
3.11 THE FUTURE OF SERVICE DELIVERY AT THE PSC 66
3.12 CONCLUSION 67

CHAPTER 4: AUDITS, APPEALS AND INVESTIGATIONS 70

4.1 INTRODUCTION 70
4.2 AUDITS 70
4.3 APPEALS AND INVESTIGATIONS 73
4.4 RECOURSE IN TRANSITION 78
4.5 CONCLUSION 78

CHAPTER 5: BUILDING THE NEW PUBLIC SERVICE COMMISSION 80

5.1 THE NEW PSEA'S MODERNIZED APPROACH TO STAFFING 80
5.2 CHANGED ROLES AND RESPONSIBILITIES FOR THE PSC 81
5.3 PUTTING IN PLACE AN INTEGRATED APPOINTMENT FRAMEWORK 83
5.4 PUTTING IN PLACE A NEW SERVICE AGENCY 87
5.5 FORGING NEW RELATIONSHIPS 88
5.6 MOVING TOWARDS THE NEW APPROACH 89
5.7 CONCLUSION 90

APPENDICES 92

APPENDIX 1: STATISTICAL INFORMATION AND TECHNICAL NOTES 92
APPENDIX 2: EXCLUSION APPROVAL ORDER 94
APPENDIX 3: PERSONAL EXCLUSIONS 95
APPENDIX 4: 2002-2003 REPORTING DEPARTMENTS AND AGENCIES 97

OFFICES OF THE PUBLIC SERVICE COMMISSION 100

BIOGRAPHIES 104

MARIA BARRADOS, PRESIDENT 104
MANON VENNAT, COMMISSIONER 105
DAVID ZUSSMAN, COMMISSIONER 106

PRESIDENT'S MESSAGE

I am pleased to present the 2003-2004 Annual Report of the Public Service Commission (PSC) of Canada.

This is my first Annual Report as President of the PSC, and the first since the *Public Service Modernization Act* (PSMA) received Royal Assent in November of 2003. The Report's preparation has been complicated by the fact that, during the reporting period, we have been operating under the current *Public Service Employment Act* (PSEA), while at the same time preparing for the implementation of the new PSEA that is incorporated in the PSMA, and which will come into effect in stages. This Report therefore looks to the future as well as the past.

This is a critical time in the history of the PSC, and Canada's Public Service as well. The new PSEA calls for a major change in human resources management in the federal government. While it will not be fully implemented until December 2005, the PSMA has already had a significant impact on the work the PSC does. The provisions creating a new PSC are already in force, and a new Commission has been appointed.

Our primary focus is now on overseeing the integrity of the appointment process, although we will continue to provide recruitment services to departments by creating a quasi-autonomous service agency within the PSC; this is expected to be up and running by April 2005.

The PSC's challenge is to determine what constitutes effective oversight in the new legislative environment, and decide how it can best be achieved. To this end, we are revising our accountability and monitoring programs and building our audit capacity.

We are articulating our new expectations about departmental and agency performance. For example, we are developing an appointment framework to ensure that departmental staffing processes continue to support the values of fairness, transparency and equity of access for all Canadians.

We are developing new agreements for the delegation of staffing authority to deputy/agency heads, as well as accountability agreements and reports, so that we will know how departments are doing in meeting the PSC's expectations as they are stated in the Staffing Delegation and Accountability Agreements. In addition, improved oversight mechanisms will tell departments and agencies where to improve their performance and apply lessons learned.

Finally, the PSC will make additional investments in its audit function, so we can properly carry out our responsibilities in the areas of oversight and reporting to Parliament on the health of the Public Service staffing system.

This Annual Report presents our assessments of the staffing performance of departments and agencies that are governed by the current PSEA. We have presented success stories and noted the issues that remain to be confronted. Some are long-standing issues that we have raised over the years. The lack of adequate departmental human resources planning, the inadequate human resources capacity in many departments, the continuing increase in the proportion of short-term hiring, the small number of university graduates offered employment through the Post-Secondary Recruitment Program compared to the large number who apply, and the application of the area of selection policy in staffing are all issues of concern to us.

We believe that the recently adopted legislation provides departments and agencies with an opportunity to address these long-standing issues. The PSC is determined to closely monitor and oversee how departments and agencies take advantage of this opportunity. In the not-too-distant future, our reports on how the staffing system is working across the Public Service will be written in an environment in which the PSC, although it no longer operates the system, ensures that it works to the benefit of Canada and Canadians. We are working to build the necessary capacity to fulfil our mandate for oversight by reviewing our current programs and expenditures so that we can identify gaps and make funding reallocations.

Since my original appointment as interim President of the PSC in November of 2003, I have had the opportunity to appear before parliamentary committees to discuss the PSC's Estimates and the proposed "Whistleblowing" legislation (Bill C-25). In May, I appeared before the Senate for my confirmation as President. I look forward to working with the new committees and the new Parliament to ensure that a competent, effective federal workforce is in place.

In closing, I welcome the appointments of my fellow Commissioners, Manon Vennat and David Zussman. The appointments occurred too late for them to have much involvement in this Report; however, I have no doubt that their broad experience and in-depth knowledge of issues related to the PSC's mandate will be invaluable. Together we will work with all the dedicated employees of the PSC to fulfil our responsibilities with integrity and a strong sense of duty to Canada and Canadians.

CHAPTER 1: INTRODUCTION

CHAPTER 1: INTRODUCTION

1.1 THE PUBLIC SERVICE COMMISSION IN A CHANGING LEGISLATIVE ENVIRONMENT

The Public Service Commission (PSC) of Canada is an independent agency mandated to oversee the staffing system in the federal Public Service and report to Parliament on the health of the Public Service staffing system.

Sound staffing that respects merit occurs when departments conduct their hiring and promotion activities according to the six Public Service staffing values of competency, non-partisanship, representativeness, equity of access, fairness, and transparency, as well as the two management and service delivery principles of flexibility and efficiency.

Sound staffing that respects merit occurs when departments conduct their hiring and promotion activities according to the six Public Service staffing values of competency, non-partisanship, representativeness, equity of access, fairness, and transparency, as well as the two management and service delivery principles of flexibility and efficiency.

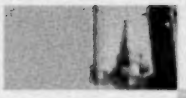
The PSC carries out its mandate for oversight of merit by administering the *Public Service Employment Act* (PSEA) and certain provisions of the *Employment Equity Act* (EEA).

Historically we have been responsible for:

- appointing qualified persons to and within the Public Service;
- providing recourse and review of matters under the PSEA;
- delivering training and development programs; and
- carrying out other responsibilities as provided for in the PSEA and the EEA.

However, we are currently operating in a changing legislative environment. In November of 2003, Parliament adopted the *Public Service Modernization Act* (PSMA), designed to: facilitate hiring the right people when and where they are needed; promote more collaborative labour-management relations; focus on learning and training for Public Service employees at all levels; and clarify roles and accountabilities.

Incorporated in the PSMA is a new PSEA, aimed at modernizing staffing in Canada's Public Service. The staffing provisions of the new PSEA will not come into full force until December of 2005 (for more information on the new PSEA, see Chapter 5). This implementation schedule has had and will continue to have implications for the PSC; while working within the framework of the current legislation, we must also prepare for the coming into force of the new PSEA. Consequently, our Annual Report for this reporting period looks to the future, as well as reflecting on the past year.



Although the new PSEA will provide a new legislative framework and instruments, like the current PSEA its objective will be to ensure that Canadians are served by a professional, competent, non-partisan and representative Public Service, able to serve the public in the official language of their choice. Appointments will continue to be based on the values of fairness, transparency and equity of access. Managers will have a timely, efficient and flexible staffing system to better meet their business objectives. Employees' competencies will be strengthened through continuous learning and development.

1.2 PSC INITIATIVES

In 2003-2004, the PSC worked under the current PSEA while preparing for the staffing changes to come under the new PSEA.

In 2003-2004, the PSC worked under the current PSEA while preparing for the staffing changes to come under the new PSEA.

The PSC undertook three significant policy and program initiatives to prepare departments for taking on increased staffing flexibilities:

- pilot projects for delegating authority to departments to allow them to appoint candidates from outside the Public Service without conducting a competition;
- creating pools of pre-qualified candidates; and
- developing a more future-oriented staffing delegation agreement with the recently created Canada Border Services Agency.

These initiatives demonstrate how the PSC is preparing for increased delegation of staffing authority, and greater departmental accountability for the way staffing is conducted.

Appointments Made Without Competition from Outside the Public Service

The PSC approved pilot projects involving seven departments, delegating to them the authority to appoint without competition from outside the Public Service. Persons appointed without competition under this authority were assessed against all the requirements of the position, found fully qualified, and were appointed according to merit. The pilots ran through 2003-2004.

Our evaluation of the results of the pilots concluded that departments exercised their delegated authority effectively when they had a management framework that clarified:

- how the authority fit within the department's overall recruitment strategies;
- the rationale for use of the authority and the circumstances under which it could be used;
- who had the authority to approve appointments on behalf of the deputy/agency head;

- how the use of the authority would be monitored;
- how often use of the authority would be discussed with the deputy/agency head; and
- how employees and their representatives would be informed of appointments.

As a result of the pilot projects, the PSC permanently delegated the authority to six of the seven departments. The seventh department did not receive permanent delegation because it had not exercised its authority during the trial period.

Pre-Qualified Pools

Beginning in 2001, using its authority under the current PSEA, the PSC began to allow appointments to be made from pre-qualified pools (PQPs) of candidates. The aim was to make hiring more efficient and to familiarize departments and agencies with a staffing model for the future.

The PSC permitted four departments, on a pilot basis, to establish PQPs for occupational groups below the executive level. The pilots will enable the PSC and departments to evaluate this method of staffing (one pilot has undergone a preliminary evaluation), identify best practices for its administration, and develop policy or accountability frameworks that may be useful under the new PSEA in ensuring that PQPs adhere to the staffing values.

With respect to certain executive-level positions, we approved a PQP approach for two departments, and a PQP approach for executives in the Information Technology community.

Canada Border Services Agency

The Canada Border Services Agency (CBSA) was created from three departments, as a result of the Government's reorganization in December 2003. The core of the Agency is the Customs component of the former Canada Customs and Revenue Agency (CCRA). This change posed a major human resources challenge, in that CCRA and CBSA operate under different staffing authorities and staffing regimes.

CCRA was established in 1999, and was never subject to the current PSEA staffing regime; therefore, it has not required delegated authority from the PSC. It is a separate employer with its own appointing authority. It develops its own staffing practices, including PQPs, designs a development program for its middle management group and conducts executive level staffing, general recruitment and student hiring.

CBSA, on the other hand, is subject to the current PSEA. To help make the transition a smooth one, the PSC worked with CBSA to determine which of CCRA's practices could be retained in light of authorities under both the current and new Acts. Because most of the new Agency's proposed staffing practices will be allowed under the new PSEA, we maximized the delegation of authority in our initial delegation agreement in December 2003. The agreement was finalized in June 2004. CBSA now has the required recruitment authorities, executive appointment authorities, and PQP authorities. In addition, the PSC has recognized previously established PQPs.

Our preparations for the implementation of the new PSEA showed us where current flexibilities exist and helped us put in place for the CBSA a delegation agreement that provides all the necessary tools. This experience will be useful in identifying best practices and possible policy or accountability requirements in the future.

1.3 ORGANIZATION OF THE REPORT

The chapters of this Annual Report describe the work of the PSC and its assessment of the health of the Public Service staffing system.

CHAPTER 2: Staffing System Performance: Values and Principles

This chapter reports on how the staffing values and management principles are being respected Public Service-wide. Our assessment is based on the performance reports submitted by departments and agencies, and on other information garnered from internal and external research and from data analysis.

CHAPTER 3: Recruitment

In this chapter we discuss the nature of recruitment, the various techniques and programs we used to recruit candidates, and overall trends in Public Service recruitment.

CHAPTER 4: Audits, Appeals and Investigations

This chapter demonstrates how the PSC oversees the staffing system and provides an overview of our activities in several specific areas.

CHAPTER 5: Building the New Public Service Commission

This chapter gives us the opportunity to explore the role of the PSC as the Public Service staffing system undergoes major change. We examine a modernized approach to staffing, the scope of our work, a new framework for protecting merit, and new approaches to audit and investigation.

CHAPTER 2: STAFFING SYSTEM PERFORMANCE: VALUES AND PRINCIPLES

CHAPTER 2: STAFFING SYSTEM PERFORMANCE: VALUES AND PRINCIPLES

2.1 INTRODUCTION

This chapter reports on how well each of the staffing values and management principles is being respected in the Public Service. The PSC's assessment is based on information we received from the departments and agencies, together with other key information sources such as the *2002 Public Service-Wide Employee Survey*, PSC tools such as the *Profile of Public Service Leadership Competencies*, and PSC studies such as the PSC Survey of Appointments.[1]

Overall Performance: 2003-2004

On the whole, the Public Service staffing values and management principles are being respected. Progress has been made during the past three years on major staffing issues. However, further work is needed to:

- enhance the human resources (HR) management capacity;
- improve organizational HR planning – including linking HR planning with business planning; and
- increase Canadians' access to employment opportunities through the use of electronic recruitment (e-Recruitment).

2.1.1 ORGANIZATION OF THE CHAPTER

The chapter is divided into two sections. The first section presents an overall assessment of the health of the staffing system based on the reports received from 72 departments and agencies. It depicts the extent to which these organizations upheld the values and principles of the staffing system. We compare actual results to performance expectations and look at whether departments and agencies have made improvements over the past year. As well, we highlight the lessons that we have learned and describe ways to improve future performance.

1. The *PSC Survey of Appointments* is a cyclical survey of appointment activity that is conducted every six months. Survey responses are received from both appointees and managers involved in staffing actions related to indeterminate recruitment, indeterminate promotions and term-to-indeterminate movement.

The second section deals with our assessment of two key ongoing staffing issues: the HR management capacity, and the challenge of HR planning. Both are critical to the successful implementation of a values-based regime.

2.1.2 REPORTING PROCEDURES

The PSC delegates staffing authority to deputy/agency heads through Staffing Delegation and Accountability Agreements (SDAAs). These set out conditions and requirements for acceptance, exercising and reporting on the use of delegated authorities.

Framework for the SDAAs: Through these Agreements, we delegate staffing authority to individual departments and agencies. The 1998 Delegation and Accountability Framework, which forms the basis for the SDAAs, incorporates the six staffing values and the two principles of management and service delivery shown in the box below.

Staffing Values and Management/Service Delivery Principles	
Results values	• Competency • Non-partisanship • Representativeness
Process values	• Equity of access • Fairness • Transparency
Principles	• Flexibility • Efficiency

Under the Framework, the PSC and each deputy/agency head who accepted delegated staffing authority drew up an SDAA that specified:

- the delegated powers of his/her respective organization; and
- the indicators and measurements that his/her organization would use in preparing its annual report to the PSC on staffing performance.

Reporting cycles: Since the adoption of the Delegation and Accountability Framework in 1998, three reporting and assessment cycles (1999-2000, 2000-2001, and 2001-2002) have passed. With each cycle, we have received an increasing number of reports each year. For the 2002-2003 cycle (which covered the 2001-2002 reporting period), we received full reports from all departments and agencies with SDAAs (72 at the time). See Appendix 4 – 2002-2003 Reporting Departments and Agencies.

Who reported and how: We have revised our approach to the current cycle (2002-2003) to streamline the departmental reporting process. As a result, we did not require full reports from 15 organizations whose performance in 2003-2004 was judged superior or fully satisfactory. However, we did request Federal Student Work Experience Program (FSWEP) review results from 14 of these 15 organizations.[2]

The remaining 57 organizations had to provide either:

- a full *Departmental Staffing Accountability Report* (DSAR) – required of 28 organizations because the information provided by the departments/agencies was insufficient or where the PSC identified areas requiring improvement; or
- an update on progress in specific areas of concern to us – required of 29 organizations to demonstrate performance over time and supply us with sufficient performance baseline data.

Organizational Size: Departments and Agencies

In the most recent reporting process we distinguished between the size of organizations as follows:

Small Organizations: fewer than 350 employees

Medium/Large Organizations: more than 350 employees

(See Appendix 4 – 2002-2003 Reporting Departments and Agencies).

2. The remaining department was involved in an overall PSC staffing audit.

2.1.3 MANAGEMENT BENCHMARKS

We are accountable to Parliament for overseeing the staffing system in the Public Service. We provide deputy/ agency heads with accountability and performance expectations that are part of the individual SDAAs. We use these to assess whether the management of staffing has met expectations and to identify possible areas of risk.

First, we require that each deputy/agency head establish a staffing system that is:

- based on the staffing values and the principles of management and service delivery; and
- tailored to the organization's workforce and staffing needs.

Secondly, we determine whether deputy/agency heads have met these over-arching management requirements and if, in the course of developing and applying staffing practices, they have:

- linked HR planning to their business plans;
- ensured that those with sub-delegated staffing authority are trained, have access to advice, and make legally correct and effective decisions;
- balanced business needs with HR management goals, the interests of the Public Service and, when possible, the career aspirations of employees;
- monitored how their delegated staffing authority is exercised in the areas of staffing, recourse, employment equity, and official languages;
- sought the participation of employee representatives in the development and revision of staffing programs; and
- ensured that their workforce has ready access to HR management information relevant to staffing.

Thirdly, we provide feedback to reporting departments and, by way of the Annual Report, to Parliament.

2.2 COMPETENCY: A RESULTS VALUE

COMPETENCY: *Attributes which ensure that public servants are qualified to carry out their public duty.*

Performance Expectations

- Organizations have appointed competent employees to meet client needs.
- Staffing strategies/decisions are aligned with key business priorities and have been validated for their effectiveness.

When these expectations are met:

- documented strategies/decisions exist and support business objectives;
- annual HR management plans exist and are designed to support business objectives;
- the design and use of assessment tools has resulted in meritorious appointments; and
- internal and external client satisfaction is verified.

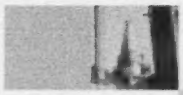
Risks to Competency

Competency will be compromised when:

- statements of qualifications do not take into account the organization's current and future needs; and
- orientation and training are not provided to managers and employees.

In the *2002-2003 Annual Report*: The PSC was satisfied that overall, managers were appointing competent employees both to and within the Public Service. The *2002 Public Service-wide Employee Survey* found an overall improvement in Public Service employees' perceptions of the competence of new hires. At the same time, we remained concerned with:

- the slow progress of departments and agencies in linking HR strategies to their operations; and
- the focus on temporary staffing to the detriment of longer-term competency – a situation that occurs in the absence of HR plans.



2003-2004 COMPETENCY VALUE "HEALTH CHECK"

Overall, the PSC remains satisfied that managers are appointing competent employees both to and within the Public Service.

POSITIVE TRENDS

- **Greater use of competency profiles:** Increasing use of competency profiles by departments and agencies enhances employee learning and development programs and helps create a more effective and efficient staffing system.
- **Strengthening bilingual capacity:** New policies on official languages strengthen bilingual capacity in the Public Service and integrate language training into professional development.

AREAS OF CONCERN

- **Client satisfaction:** More consistent measurement of internal and external client satisfaction is needed to help departments and agencies measure employee competence more accurately, and provide useful information for selection processes.
- **Short-term hires:** Continued short-term hiring adversely affects the competency staffing value because those hired in this manner are not as stringently evaluated as those applying for indeterminate positions.

2.2.1 USE OF COMPETENCY PROFILES

A competency profile describes the knowledge, skills, abilities, and behaviours that enable an employee to perform efficiently and effectively in a given position.

Increasing use of competency profiles in 2003-2004: Many organizations – 25 of 43 of those reporting in 2003-2004 – used competency-based profiles as part of their HR management, as opposed to 35 of 72 in 2002-2003. These organizations included:

- 19 of 23 large departments that used competency profiles to some degree; and
- 9 of 20 smaller reporting organizations that used competency or generic competency profiles.

Organizations are gradually moving towards use of competency profiles for all positions to enhance employee learning and development programs and to create a more effective and efficient staffing system. In 2002-2003, 35 organizations used this approach. The year before (2001-2002), 29 of 72 organizations reported using competency profiles.

Use and Perception of Competency Profiles: Managers and Appointees

The *PSC Survey of Appointments*, conducted every six months, revealed that:

- of the 66% of managers who used competency profiles, the majority used them to develop a statement of qualifications from them for use in competitions; and
- of the 64% of appointees who were aware of the existence of a competency profile for their position, 74% agreed that the profile was linked to their job requirements to a great extent.

We continue to find that short-term hiring represents a risk to the value of competency because assessment for these positions is less stringent than the process for indeterminate positions.

2.2.2 OFFICIAL LANGUAGES: STRENGTHENED BILINGUAL CAPACITY

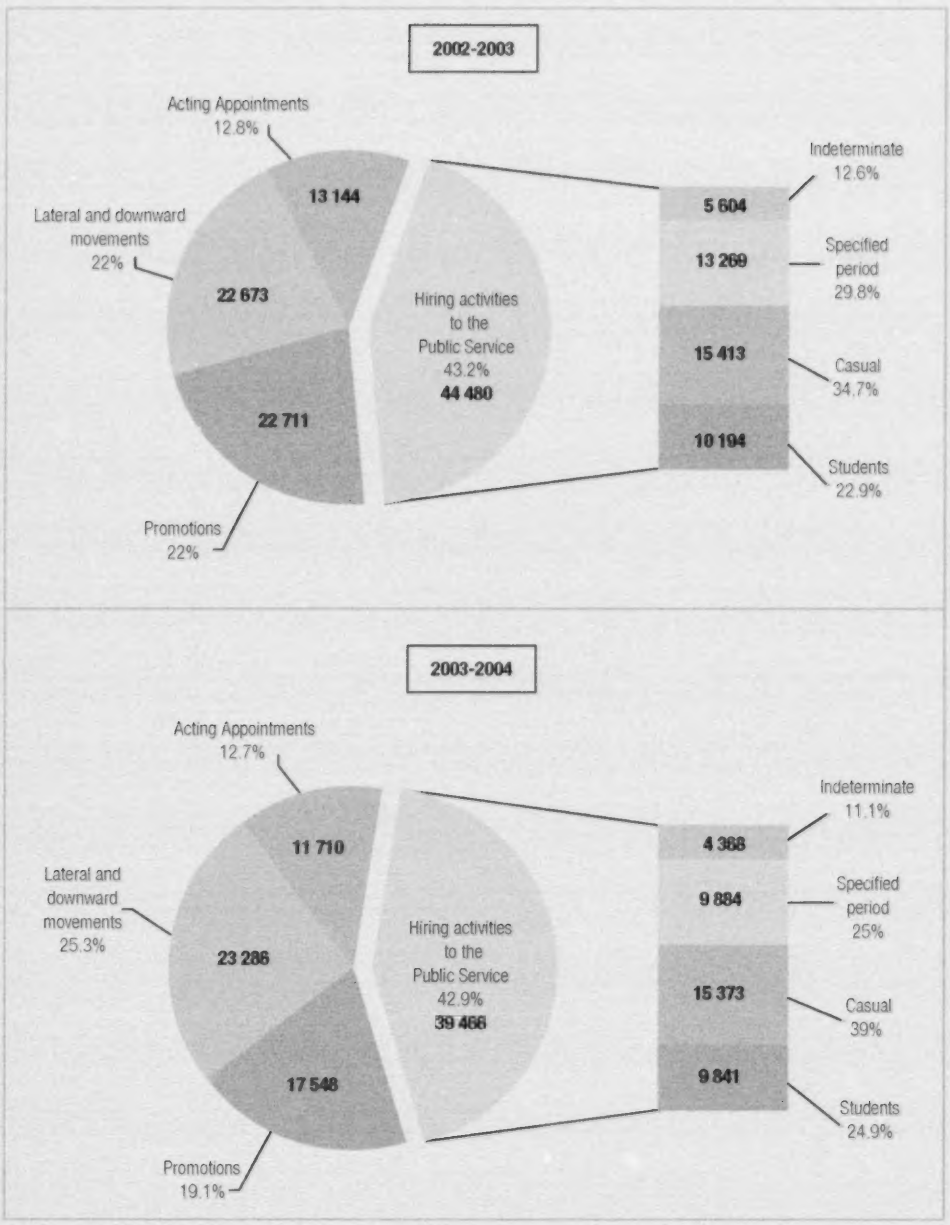
In 2003-2004, we continued to deliver much of the professional language training in the Public Service. We worked with departments and agencies to improve and increase the availability of language training programs.

The Official Languages Exclusion Approval Order (OLEAO): A commitment was made in last year's Annual Report to undertake a detailed re-examination of the OLEAO in 2003-2004. The OLEAO was established in accordance with the PSEA to govern the possible exclusion of certain persons from language requirements for some positions, including non-imperative appointments. As a result of the review, the OLEAO is being updated to better reflect the PSC's official languages policy goals, and the renewed focus on official languages within the Public Service.

2.2.3 CONCERN WITH SPECIFIED PERIOD (TERM) HIRING

We continue to find that short-term hiring represents a risk to the value of competency because assessment for these positions is less stringent than the process for indeterminate positions. This is especially significant because, as the following graphs illustrate, short-term hiring continues to be proportionately high in relation to overall hiring. We are also concerned with the growing proportion of casual hires, as the number of casuals hired now surpasses the number of hires to specified period (term) positions. This is discussed in more detail in Chapter 3.

Overall hiring and staffing trends*



* Please see Appendix 1: "Statistical information and Technical Notes" for more information.

2.3 NON-PARTISANSHIP: A RESULTS VALUE

NON-PARTISANSHIP: *Employees are appointed and promoted objectively, free from political or bureaucratic patronage.*

Performance Expectations

- Organizations institute staffing safeguards to prevent political and/or bureaucratic patronage.
- The deputy/agency head has confidence in the organization's staffing safeguards to the extent that he/she will attest that non-partisanship, in recruitment and staffing, is part of the organization's culture.

These expectations are met when:

- higher-risk staffing demands are approved by more senior managers than those involved in regular processes;
- deputy/agency heads send annual Conflict of Interest reminders to their employees; and
- the Signed Statement of Persons Present at Boards form is used in all selection processes.

When deputy/agency heads sign the attestation that employees are appointed and promoted impartially, free from political or bureaucratic patronage, they are confirming that the non-partisanship value has been upheld in their organizations.

Risks to Non-partisanship

This staffing value is compromised when the organization:

- does not have a policy on the employment of relatives and friends;
- lacks a code of conduct; and
- does not provide employees and managers with ready access to information related to non-partisanship.

In the *2002-2003 Annual Report*: The PSC noted that, although many departments and agencies had put safeguards in place to ensure a non-partisan staffing system, we were not satisfied with the level of understanding of bureaucratic patronage.

2003-2004 NON-PARTISANSHIP "HEALTH CHECK"

The PSC continues to believe that political patronage is an issue of low risk in the Public Service. However, bureaucratic patronage remains an area under PSC scrutiny, in order to determine the level of risk.

POSITIVE TREND

- **Overall good performance:** Most organizations meet key non-partisanship performance expectations by following controls to guide managers' behaviour.

AREAS OF CONCERN

- **A lack of clarity concerning what constitutes bureaucratic patronage or the appearance of bureaucratic patronage:** Managers have difficulty determining what are appropriate and inappropriate behaviours related to staffing actions.
- **Employees' perceptions concerning bureaucratic patronage:** A significant number of appointees do not believe that the staffing process is, in general, free from bureaucratic patronage.

Bureaucratic patronage is not well understood in the Public Service, and we remain concerned that it may have an adverse effect upon the staffing system.

2.3.1 BUREAUCRATIC PATRONAGE

Recent PSC studies have confirmed that bureaucratic patronage is not well understood in the Public Service, and we remain concerned that it may have an adverse effect upon the staffing system. Moreover, the lack of clarity on this issue is occurring at a time when the staffing legislation is changing.

In its *2002-2003 Annual Report*, the PSC made a commitment to examine this issue and, in fall 2003, launched a study. During the first phase, based on an internal review of documentation as well as interviews, a preliminary definition of bureaucratic patronage was developed. In order to add other perspectives, in April of 2004 the PSC President hosted a meeting with selected individuals with backgrounds in areas such as public administration, human resources management and ethics.

During the fall of 2004, the PSC will validate this definition and associated behaviours across the Public Service, and will examine the incidence of bureaucratic patronage within a number of departments and agencies. We will describe the complete results of the study in our 2004-2005 Annual Report.

Working Definition of Bureaucratic Patronage

Within the Public Service staffing and recruitment process, bureaucratic patronage involves an inappropriate action or behaviour by a public servant who, by using knowledge, authority or influence, provides an unfair advantage or preferential treatment to: 1) a current employee; or 2) a candidate for employment in the Public Service, for the purpose of personal or mutual gain.

This definition involves four defining components:

1. the agent involved (i.e. a public servant acting inappropriately);
2. the inappropriate action or behaviour (i.e. abuse of authority – basis for recourse under the new PSEA – manipulating or influencing the staffing process in an unacceptable manner, disregarding the Public Service staffing values);
3. the results of the inappropriate action or behaviour (i.e. providing an unfair advantage); and
4. the motive driving the behaviour (i.e. personal or mutual gain).

2.3.2 DEPARTMENTAL PERFORMANCE

The majority of departments and agencies reporting this year, particularly smaller ones, meet non-partisanship performance expectations. Their reports indicate that, in order to prevent political or bureaucratic patronage from influencing staffing processes deemed to be at a higher risk, such processes were approved by senior managers as high up as deputy/agency heads. To increase impartiality in staffing, some small organizations used executive-level committees to make staffing decisions.

Annual reminders to staff regarding political activities in the workplace and conflict of interest were sent by the deputy/agency heads of 10 of 14 small reporting organizations as compared to 8 of 14 larger reporting organizations. However, all organizations:

- used the Signed Statement of Persons Present at Boards form in all selection processes; and
- included the *Conflict of Interest Code and Post-employment Code* in their Letters of Offer.

Only six of 25 organizations had a policy on the employment of relatives or friends. The use of the *Conflict of Interest Code*, and the *Values and Ethics Code for the Public Service* that came into effect in September 2003, was often deemed sufficient. Some departments and agencies (11 of 25) used an internal code of conduct.

Information related to non-partisanship was readily available in 18 of the reporting organizations. Larger departments with stronger information management systems were more effective in making this information easily accessible to employees.

2.3.3 EMPLOYEE PERCEPTIONS

Employee perceptions regarding the existence of bureaucratic patronage are not positive. In a recent *PSC Survey of Appointments*, employees were asked if they believe that the staffing process in their organization is, in general, free from bureaucratic patronage. Less than half agreed: only 40% of employees appointed through a competitive process held this belief; and for those appointed through a non-competitive process, the level of belief dropped to 31%. Given that these were successful candidates, their confidence level regarding the absence of bureaucratic patronage is low.

BEST PRACTICES

- The National Energy Board's obligations of a selection board member guidelines outline the competencies and responsibilities (honesty, confidentiality, impartiality, second language proficiency) of board members, who must sign the document at the beginning of a selection process.
- The Registry of the Tax Court of Canada's Staffing Policy includes a statement prohibiting the manager from hiring family members, the definition of which includes step-relations and relatives sharing a residence.
- A number of organizations have implemented an ethics program or framework. Among the most noteworthy are initiatives by Public Works and Government Services Canada and National Defence. These initiatives were identified as a best practice by Treasury Board Secretariat's Office of Public Service Values and Ethics, and in the November 2003 report of the Office of the Auditor General.

2.4 REPRESENTATIVENESS: A RESULTS VALUE

REPRESENTATIVENESS: *The composition of the Public Service reflects that of the labour market.*

Performance Expectations

- Organizations with more than 100 employees conduct staffing in order to ensure that their workforce is representative of the Canadian labour force for each of the four target groups:
  - persons with disabilities;
  - Aboriginal peoples;
  - women; and
  - members of visible minorities.
- Organizations with fewer than 100 employees strive to be representative of Canadian society.
- Organizations have integrated their Employment Equity (EE) Action Plan with their staffing strategies.

To meet these expectations, departments and agencies must first collect self-identification data and conduct a workforce analysis. If necessary, focused initiatives such as special EE recruitment and development programs can be used to improve representativeness.

Risks to Representativeness

EE will not be integrated into organizational staffing strategies if departments and agencies:

- do not establish designated group member targets, where a particular target group is not adequately represented;
- do not provide diversity training to members of selection boards;
- fail to incorporate Employment Systems Review findings; and
- do not comply with the Human Rights Commission staffing audit recommendations.

In the *2002-2003 Annual Report*: The PSC noted that the Public Service is becoming increasingly representative of the Canadian labour market.

- **Targeted recruitment programs:** These programs, shared by departments and agencies, continued to be a more effective way of reaching representation goals than individual staffing processes.
- **Strategic integration of EE:** Integration within broader recruitment strategies and competitive processes continues to become the norm in some organizations.

However, we remained concerned about persons with disabilities being recruited in numbers below their market availability. In addition, while the overall percentage of members of visible minorities appointed to the Public Service exceeded labour market availability in 2002-2003, we continued to be concerned about the low representation of members of visible minorities in the EX group. We also concluded that reaching the Embracing Change goals by 2005 to increase visible minority representation in the Public Service will require more concerted action on the part of organizations. This is particularly true for executive positions (see also Members of Visible Minorities: the *Embracing Change Action Plan*, page 28).

2003-2004 REPRESENTATIVENESS "HEALTH CHECK"

Despite some progress, the PSC notes that many challenges remain to creating a truly representative Public Service.

POSITIVE TRENDS

- **Departments and agencies continue to bridge the representation gap:** Organizations are undertaking numerous initiatives to ensure that the Public Service is more representative.
- **The PSC Employment Equity Mainstreaming Initiative (EEMI) has enhanced EE at the regional level:** This initiative has resulted in larger pools of EE candidates and improved organizational practices.
- **The *Embracing Change Action Plan* has improved representation of members of visible minorities:** This Plan has set benchmarks for recruitment and for internal appointments; this has contributed to more appointments of visible minorities through both internal and external searches.

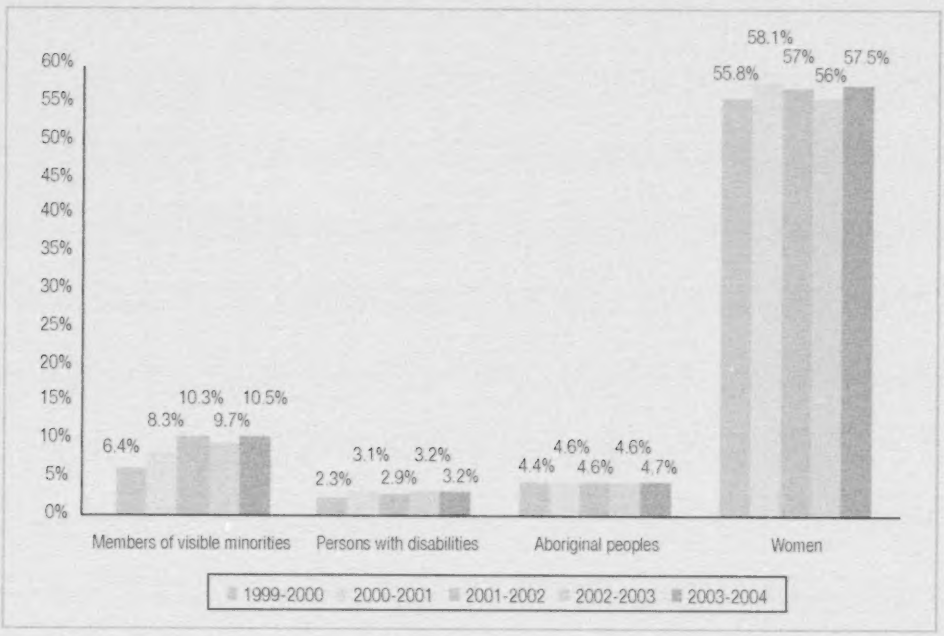
Continued on next page

AREAS OF CONCERN

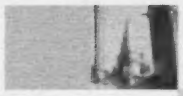
- **Lack of alignment of EE plans with organizational planning:** In many departments and agencies, EE plans are often not aligned with HR and business plans, creating inconsistencies in policies and procedures.
- **Appointment of persons with disabilities:** The percentage of these appointments to the Public Service has decreased.
- **Members of visible minorities: the *Embracing Change Action Plan*:** Progress in the achievement of the Action Plan benchmark is slow.
- **Inconsistency in regional appointments:** Progress in making more EE appointments varies among designated groups and regions.

The graph below shows the five-year trend for appointments to the Public Service.

Appointments *to* the Public Service by fiscal year and employment equity designated group*



* Please see Appendix 1: "Statistical Information and Technical Notes" for more information.



Staffing activities by type and employment equity designated group 2003-2004*

Employment equity designated group	Appointments *to* the Public Service		Staffing activities *within* the Public Service							
			Promotions		Lateral and downward movements		Acting appointments (a)		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Women	6 789	57.5	10 403	59.7	14 066	60.6	7 067	60.5	38 325	59.8
Members of visible minorities	1 234	10.5	1 421	8.2	2 097	9.0	904	7.7	5 656	8.8
Persons with disabilities	380	3.2	848	4.9	1 184	5.1	597	5.1	3 009	4.7
Aboriginal peoples	555	4.7	743	4.3	1 197	5.2	450	3.9	2 945	4.6
Total (b)	**11 798**	**100.0**	**17 427**	**100.0**	**23 202**	**100.0**	**11 682**	**100.0**	**64 109**	**100.0**

(a) Excludes acting appointments of four months or less.

(b) The counts for employment equity designated groups exclude specified period staffing activities of less than three months and appointments to and staffing activities within separate employers as the Treasury Board Secretariat does not collect self-identification information on these populations. The sum of employment equity designated groups does not equal the total as a person may be in more than one group and men are included in the total. Consequently, the totals do not match other tables.

* In past years, this table included the appropriately weighted internal or external availabilities for each group in each column. Due to changes in methodology following the 2001 Census, these availability estimates are no longer available. Please see Appendix 1: "Statistical Information and Technical Notes" for more information.

2.4.1 DEPARTMENTS AND AGENCIES CLOSING THE GAP

Departmental and agency initiatives: Organizations undertook numerous initiatives during 2002-2003 to bridge the representation gap. The most notable has been inclusion of EE goals in the accountability agreements of executives. Other significant efforts included:

- development or implementation of a comprehensive EE Plan;
- use of the PSC departmental EE Program delegation; and
- establishment and use of an interdepartmental Visible Minority Selection Board inventory that targets specific designated groups during recruitment campaigns such as Federal Student Work Experience Program and Post-Secondary Recruitment initiatives.

Need to align EE plans with HR and business plans: Although most reporting organizations had developed and implemented an EE plan, only a small fraction aligned it with organizational HR and business plans.

Improved department and agency practices: Throughout the past years, the PSC has gained valuable EE-related knowledge and experience which we have transferred to departments and agencies in various ways, including:

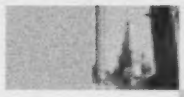
- disseminating best EE practices and lessons learned;
- developing and redesigning Web sites to include tools in support of EE;
- developing regional partnerships; and
- delivering training seminars.

EE practitioners, employment counselors, resourcing officers and HR specialists have not only put this knowledge and experience into practice, but have also passed it on to members of the general public, who form part of the applicant pool.

We note that, despite some progress regarding both managers' and appointees' perceptions of the importance of representativeness, challenges remain. For example, a recent *PSC Survey of Appointments* indicated that one in five managers did not know about the joint PSC/Treasury Board Secretariat Policy on Duty to Accommodate Persons with Disabilities in the Federal Public Service. In other words, numerous managers in the Public Service are not aware of even the most basic EE policies.

2.4.2 EMPLOYMENT EQUITY MAINSTREAMING INITIATIVE

In April 2002, the PSC received two-year bridge funding for the Employment Equity Mainstreaming Initiative (EEMI) so that we could: (a) integrate EE more fully into our staffing and recruitment practices; and (b) help departments and agencies achieve representativeness. The primary focus of EEMI was on recruitment, with an emphasis on helping organizations become more representative of the population they serve and raising awareness of merit, diversity, and EE in the Public Service.



Short-term results have shown that EE activities can be planned, mainstreamed, and integrated into the business operations. The long-term outcomes of mainstreaming EE into staffing and recruitment, to be observed over time, will include:

- a more representative Public Service in which no person is denied employment for reasons unrelated to his/her abilities, as specified in the *Employment Equity Act* (EEA); and
- progress in closing the gaps in the representation of members of the employment equity designated groups.

In the two-year reporting period, we have been able to identify positive results in two main areas described in the EEMI Performance Measurement Framework: a greater supply of qualified EE candidates; and improved organizational EE practices.

Improved Supply of Qualified Candidates

The EEMI and Embracing Change funding enabled PSC regional offices to engage in a significant number of activities to support the supply of qualified members of designated groups. We:

- encouraged applications from and referrals of designated group members;
- developed and maintained high-quality, partially assessed pools of candidates; and
- provided support to organizations.

Since the beginning of the EEMI, outreach and other initiatives have yielded a steady improvement in the volume, calibre, and representation of EE designated group applicants for Public Service job openings.

As well, EE funding provided regions with the opportunity to embark upon their own EE activities that complemented general recruitment. Our assessment of the EEMI reveals an increased number of targeted recruitment activities across Canada. However, we did note that the actual appointments of designated group members varied, showing an increase in some areas, a decrease in some, and no significant change in others.

The fact that this increased trend is not consistent for all designated groups in all regions serves as a reminder that inclusion of designated group members is not yet self-sustaining or self-generating.

Overall, however, the successful implementation of the EEMI is an example of how the PSC was able to design and put into effect its program of barrier removal strategies and positive measures in accordance with the EEA.

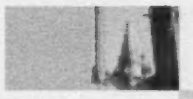
2.4.3 MEMBERS OF VISIBLE MINORITIES: THE *EMBRACING CHANGE ACTION PLAN*

The *Embracing Change Action Plan*, established in June 2000 and adopted by the Government of Canada, sets benchmarks to address the under-representation of members of visible minorities, and calls for a sharing of experiences, changes to the corporate culture of the Public Service, and accountability for results.

External recruitment: The *Embracing Change Action Plan* calls for a benchmark of one in five indeterminate appointments and specified period (term) appointments greater than three months for members of visible minority groups. The PSC contributed to the recruitment of more than 3,000 visible minorities over the past two years, although the "one-in-five" benchmark has not been met. As the previous table illustrates, 10.5% of indeterminate appointments and specified period appointments greater than three months in 2003-2004 were members of visible minorities.

Entry into EX category: The *Embracing Change Action Plan* sets a benchmark for the attainment of a one in five (20%) share of entry into the executive category for members of visible minorities by 2005. Progress toward the achievement of this benchmark has been slow, ranging from an appointment rate of 5.7% to 7.3% yearly.

EX Category Appointments		
Year of Appointments	Number of Appointments	% of Total
2000-2001	24	6.3%
2001-2002	28	5.7%
2002-2003	32	6.8%
2003-2004	29	7.3%



The Employment Equity Program for Executives is the primary tool available to departments to increase the representation of designated groups at the EX level. This Program enables departments to target selection processes to one or more of the designated groups. Over the past three years, use of the Program has contributed to the increased number of entry-level appointments to the EX group. However, more frequent use of this tool would have a significant impact on progress towards the benchmark.

Considering that the target date of 2005 is fast approaching, the achievement of the EX benchmark will require a more focused, planned approach on the part of departments if there is to be an improvement upon the progress made over the past four years.

Increased Use of Visible Minority Employees on Selection Boards

We have actively promoted to the departments and agencies the inclusion and use of visible minority employees as members of selection boards. As a result, the number of visible minority members available in the inventory has increased and organizations have been making greater use of their expertise. For example:

- more than two-thirds of the 500 trained selection board members in the inventory are members of visible minorities; and
- in Toronto, half of the 100 members in the EE selection board inventory have been called to serve on selection boards.

BEST PRACTICE

The "Objective Eye", developed by the Inventory of Selection Board Members, is an interactive electronic inventory of EE group members across the Public Service who are trained to participate in selection boards, providing managers with perspectives that promote bias-free selection and contribute to building an inclusive workforce. The Objective Eye can be accessed at **www.isbm-rmjs.gc.ca**

Management development (EX) programs: Embracing Change has set the same benchmark for participation in management development programs. Although we achieved considerable success in attracting visible minority candidates to these programs in 2003-2004, we have not, in general, seen an increase in participation in government-wide external EX recruitment strategy consistent with the *Embracing Change Action Plan*.

2.4.4 PERSONS WITH DISABILITIES

In general, we believe that more effort must be made to achieve a representative Public Service.

In our previous Annual Report, we signaled our concern with the low number of persons with disabilities appointed to the Public Service. This continues to concern us, as over the past year the percentage of appointments of persons with disabilities remains the same as last year 3.2% (380 of 11,798 appointments). We will continue to monitor this situation and report to Parliament next year.

2.4.5 EMPLOYMENT EQUITY AND RECOURSE

We are committed to fair and transparent staffing processes within EE programs. Although appointments made under EE programs are currently excluded from the appeals process, we are working with organizations to promote transparent management practices within these programs, particularly in the area of communications and conflict management.

To ensure continued monitoring of access and fairness for EE group members, in 2003-2004 our Recourse Branch implemented a new system to capture EE data about appellants and complainants who self-identify during a recourse process. This was put in place so that systemic problems can be identified and corrected.

In general, we believe that more effort must be made to achieve a representative Public Service.

2.5 EQUITY OF ACCESS: A PROCESS VALUE

EQUITY OF ACCESS: *Equal access to external and internal employment opportunities; practices are barrier-free and inclusive.*

Performance Expectations

Equity of access is upheld when there is:

- fair, equitable, and transparent use of "areas of selection";
- access to HR information pertaining to the values;
- access to developmental opportunities; and
- access to language training programs.

Risk to Equity of Access

When a specified period (term) or acting appointment is misused, there is a potential risk that undue advantage will be given to the employee who is temporarily appointed over others equally qualified to fill the position.

In the *2002-2003 Annual Report*: The PSC recognized that, although equity of access had improved considerably during the previous year, continuous effort to achieve it was still required.

- **Internal recruitment:** The results of the *2002 Public Service-wide Employee Survey* showed that public servants most frequently cited restricted areas of selection as barriers to their careers.
- **External recruitment:** We were convinced that unless volumes can be managed through the use of technology, specifically e-Recruitment, departments and agencies will not be able to use a national area of selection.

Defining "National Area of Selection"

A "national area of selection" (NAS) means that all persons residing in Canada, and Canadian citizens living abroad, are eligible to apply for Public Service positions.

2003-2004 EQUITY OF ACCESS "HEALTH CHECK"

Although many organizations have put procedures in place to ensure reasonable equity of access to job opportunities in the Public Service, the PSC believes that true equity of access through a national area of selection will not be achieved without a high-quality e-Recruitment system.

POSITIVE TREND

- **Pilot projects demonstrate the value of e-Recruitment:** Evaluation of the PSC's pilot projects for national area of selection demonstrates that e-Recruitment would facilitate broader access to Public Service jobs, increase protection of merit, and simplify management of the selection process.

AREA OF CONCERN

- **Slow project approvals:** Developing and implementing a system to meet the needs of candidates, managers, and HR specialists is proceeding slowly. We are working to meet Treasury Board's project requirements.

2.5.1 EMPLOYEE ACCESS TO ADVANCEMENT

All 14 medium and large reporting organizations ensured reasonable access to advancement and development opportunities for their employees. They most frequently:

- used a broad area of selection to maximize advancement and mobility;
- ensured developmental opportunities through acting assignments, secondments and various programs offered internally or through the PSC (e.g., Career Assignment Program, Management Trainee Program, and Federal Student Work Experience Program);
- developed a policy framework for employee advancement and development;
- provided HR management information through an Intranet site; and
- offered a career orientation program, mentoring program, and post-board feedback.

2.5.2 EXPANDING AREA OF SELECTION

We are committed to gradually moving away from geographically based areas of selection to a national one for all officer level positions[3] in order to provide Canadians with full access to Public Service jobs. To achieve this, we undertook several initiatives which clearly indicated that high-level electronic solutions will be required to handle the volumes created by using a national area of selection. These initiatives, as well as the use of radii in the Atlantic Region, are discussed in more detail in Chapter 3.

2.5.3 E-RECRUITMENT

Electronic screening tools have the potential to manage large volumes of applications in an efficient manner.

These initiatives demonstrate that electronic screening tools have the potential to manage large volumes of applications in an efficient manner. In addition to providing all Canadian citizens and residents with access to Public Service jobs, an e-Recruitment system has the following advantages:

- **Broadened access:** All potential candidates across Canada could view job postings, apply for positions, and receive feedback online.
- **Better targeted job applications:** Candidates could better target their job search because an electronic system calls for clearly specified job requirements.
- **Increased protection of merit:** An e-Recruitment system would objectively screen applicants in or out strictly on the basis of their qualifications.
- **Easier management of the selection process:** e-Recruitment would quickly provide hiring managers and HR specialists with a manageable number of high-quality referrals and offer a mechanism for monitoring and reporting recruitment activities.
- **Support of managers under the new PSEA:** An e-Recruitment system would support those involved in HR modernization under the new PSEA as they take on their changing roles and responsibilities.

Specific results achieved by our initiatives are outlined in more detail in Chapter 3.

3. The plan focusses on officer-level jobs for two reasons: (a) they are better-paying jobs; and (b) their incumbents are more likely to influence policy-making and program design/delivery.

2.6 FAIRNESS AND TRANSPARENCY: PROCESS VALUES

FAIRNESS: *Decisions are made objectively, free from political or bureaucratic patronage; practices reflect the just treatment of employees and applicants.*

TRANSPARENCY: *Open communication with employees and applicants about resourcing practices and decisions.*

Performance Expectations

- Organizations have instituted safeguards that promote open communication on staffing strategies, policies, and decisions.
- Organizations regularly gauge employees' perception of these values and act upon the results to improve overall workplace satisfaction.

These staffing values are upheld when:

- staffing activities are monitored and analyzed;
- staffing strategies are communicated to managers and employees; and
- reasonable notice periods for staffing processes are consistently maintained.

Departments and agencies strengthen the values of fairness and transparency when they gauge employees' perceptions through regular surveys and other measuring mechanisms and implement needed improvements.

Risks to Fairness and Transparency

Departments and agencies jeopardize the values of fairness and transparency when:

- managers circumvent the competitive process, avoid open competitions, select specific individuals referred to them by name, or fail to keep key staffing documents;
- employees do not receive post-board feedback after being interviewed for positions; and
- there is no ombudsman position or the ombudsman position does not include the responsibility for resolving staffing issues.

In the *2002-2003 Annual Report*: The PSC concluded that although the staffing system in the Public Service was generally fair, further effort was required to strengthen transparency.

- **Fairness:** Many departments and agencies had instituted practices that improved employee perception of this value. However, overall organizational information related to the value of fairness remained insufficient.
- **Transparency:** Better communication strategies made staffing actions more transparent. However, organizations still needed to strengthen communication with employees about the use of different staffing processes, such as short-term hires, appointments without competition, and acting appointments.

2003-2004 FAIRNESS AND TRANSPARENCY "HEALTH CHECK"

Overall, there has been some progress in strengthening management practices that support these values, but continuous effort is required.

POSITIVE TRENDS

- **More management training:** Increasingly, organizations have been providing training to managers and HR specialists on the staffing values, including fairness and transparency.
- **Improved communication:** Organizations have put mechanisms in place, particularly on intranets and through workplace programs, to ensure that they can give employees access to more information about staffing and better gauge employee satisfaction regarding fairness and transparency.

AREAS OF CONCERN

- **Hiring without competition:** Staffing practices such as acting appointments and short-term hires continue to present a risk to fairness and transparency.
- **Training initiatives:** These need to continue for both the HR community and for managers so that HR capacity can continue to increase.

2.6.1 IMPROVING MANAGERIAL UNDERSTANDING

Fairness and transparency are process values that directly influence employees' perceptions of the staffing system. Respect for these values depends more on the understanding and the behaviour of decision-makers than on the systems.

In last year's Annual Report, we noted that managers and HR specialists needed training to: enhance their knowledge of the staffing values; and make full use of new and existing flexible approaches and options in staffing.

This year, reporting organizations with delegated staffing authority indicated that:

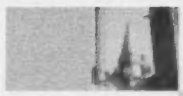
- mandatory training and reinforcement of staffing values, as part of the management staffing process, is becoming the norm;
- management systems have been improving, and many managers now have desktop access to policies, processes, and assessment tools; and
- an increasing number of deputy/agency heads have included accountability indicators in performance agreements with their senior managers.

Transparent communication practices: Organizations also report that it has become common practice to post a wide variety of staffing-related information – such as training materials and policies; audit, ombudsman, and accountability reports; and transition strategies – on organizational Intranets. This method provides easily accessible information to all employees and reduces negative perceptions, which are often prevalent in times of change.

However, a 2003 *PSC Survey of Appointments* sample study indicated that:

- 65% of managers surveyed were well informed about staffing values in general; and
- only 27% of managers and appointees reported that staffing and resourcing strategies were communicated to all employees to a great extent.

This indicates that more needs to be done to improve the transparency of staffing decisions.



2.6.2 GAUGING EMPLOYEE SATISFACTION

Follow-up to employee surveys: Two Public Service-wide employee surveys discussed in last year's Annual Report confirmed greater employee satisfaction in 2002 than in 1999. Following these surveys, most organizations committed to monitoring and improving their HR management. Many formed working groups and/or appointed champions who developed action plans. In general, such plans have been put in place and employees have been kept regularly informed about the progress of planned HR initiatives. These initiatives included:

- ensuring employees have reasonable access to advancement and opportunities;
- increasing and improving staffing-related communications and training for managers and employees;
- revising or improving departmental learning programs and processes;
- initiating or increasing training and communications about prevention of harassment and discrimination, as well as valuing workplace diversity; and
- promoting work/life balance developmental and employees' well-being.

As well, most organizations continued to monitor employee perceptions of the values of fairness and transparency through:

- open discussions or organized workshops on staffing-related issues;
- creation of management-employee workplace issues committees; and
- entry and/or exit interviews or departmental surveys.

Organizations and bargaining agents: Employees' perception of fairness is significantly influenced by the relationships that organizations have with their bargaining agents. In the last reporting cycle, we noted an increase in the number of organizations that consulted their bargaining agents to ensure the reliability of the content of Departmental Staffing Accountability reports. This year, the majority of medium and large organizations (10 of the 14 that submitted full reports) noted that they had consulted bargaining agents. Most small reporting organizations did not consult bargaining agents, as they have no on-site representation.

2.6.3 AREAS OF RISK TO FAIRNESS AND TRANSPARENCY

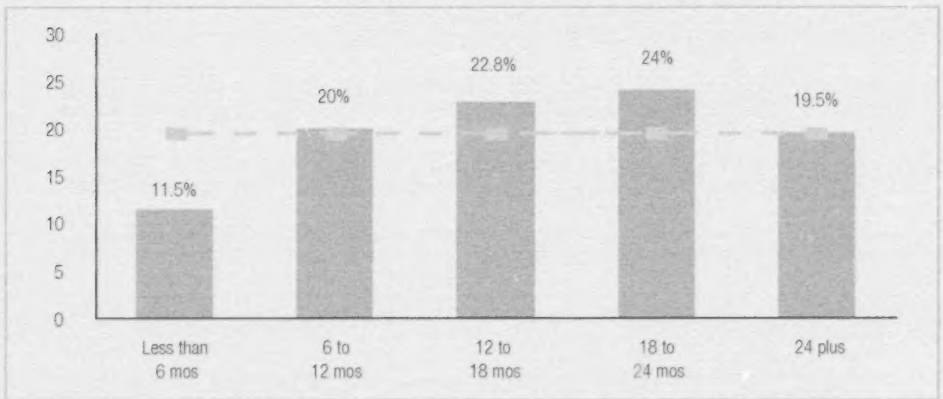
Acting appointments: Acting appointments constitute a risk to fairness because they can provide an undue advantage to chosen employees, particularly if no selection process was used or if an employee acts for an extended period of time. We continue to be concerned with this problem.

In 2003-2004:

- the total number of acting appointments has decreased by 10.9%, dropping from 13,144 last year to 11,710 this year; and
- the percentage of acting appointments based on total hiring and staffing activities, however, has remained relatively stable at 12.7% in 2003-2004 compared with 12.8% the previous year.

Out of the 9,855 acting appointments that ended in 2003-04, 1,912 (19.4%) resulted in a promotion to the same position for the acting incumbent. Looking at the distribution of these acting appointments by their duration, it is evident that the probability of promotion is much less if the acting is less than six months, with the highest probability of promotion being for those actings that are from one to two years in duration.

Percentage of Acting Appointments Resulting in a Promotion in the Same Position by Length of the Acting Appointment

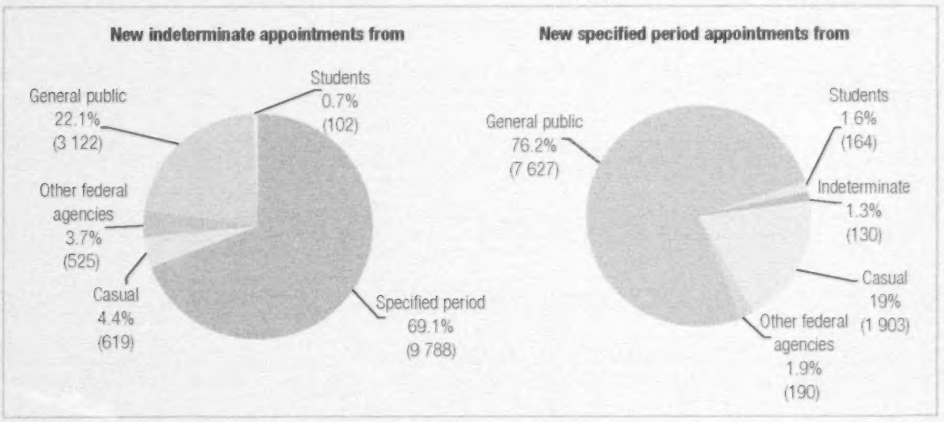


Note – Acting appointments in this case refers to those Acting Appointments that terminated in 2003-2004. The average length of time before being promoted was 19.4 months.

Short-term staffing: Problems related to fairness and transparency in the staffing process are frequently caused by organizations' long-term reliance on specified period (term) workers. This is illustrated in the graph that follows. Term workers often represent a less costly and faster solution for recruitment than indeterminate recruitment processes. Once hired, however, term employees are often able to gain indeterminate (permanent) jobs. This risk was signaled in our Annual Report two years ago.

Problems related to fairness and transparency in the staffing process are frequently caused by organizations' long-term reliance on specified period (term) workers.

Hiring activities by tenure and previous employment status 2003-2004*


New indeterminate appointments from
General public 22.1% (3 122)
Students 0.7% (102)
Other federal agencies 3.7% (525)
Casual 4.4% (619)
Specified period 69.1% (9 788)
New specified period appointments from
General public 76.2% (7 627)
Students 1.6% (164)
Indeterminate 1.3% (130)
Casual 19% (1 903)
Other federal agencies 1.9% (190)

* Please see Appendix 1: "Statistical Information and Technical Notes" for more information.

BEST PRACTICE The Canadian Environmental Assessment Agency manages HR in a strategic and integrated manner with pro-active and unique approaches and policies. For example, HR management is included in each executive's performance review, and the Agency has developed staffing principles – practical and easy-to-follow guidelines on conflict resolution and the prevention of harassment in the workplace.

2.7 FLEXIBILITY AND EFFICIENCY: MANAGEMENT AND SERVICE DELIVERY PRINCIPLES

FLEXIBILITY: *Resourcing approaches are adapted to the specific needs of the organization.*

EFFICIENCY: *Resourcing approaches ensure good value for money and are simple, timely, and effective in their delivery.*

Performance Expectations

- The use of large-scale competitive processes, when appropriate, is an effective and efficient practice. Although such processes lengthen the average staffing time, they result in a higher number of hires per process.
- Delegation to departments and agencies of the authority to appoint from pools of pre-qualified candidates also contributes substantially to the efficiency of the staffing system.

Risk to Efficiency

- Efficiency will be compromised if managers and (HR) specialists do not receive training in staffing values and on new and existing organizational flexibilities with regard to staffing approaches.

In the *2002-2003 Annual Report*: The PSC was satisfied with the overall application of the flexibility and efficiency principles in the current staffing system.

- **Flexibility:** We concluded that, to increase the use of flexible approaches to staffing, investments in the HR community were necessary to strengthen its capacity, including managers' needs for training and greater awareness of staffing values and processes. We also reported on a decrease in the use of the Post-Secondary Recruitment Program, an example of a Public Service-wide program that provides managers with timely results.
- **Efficiency:** We noted that the length of time required by the staffing system to staff remained constant, although organizations had increased their use of large-scale competitive processes.

2003-2004 FLEXIBILITY AND EFFICIENCY "HEALTH CHECK"

The PSC is not convinced that managers are using all the staffing flexibilities and efficiency options that are currently available to them.

POSITIVE TRENDS

- **Increasing integration of principles at the corporate level:** The principles of flexibility and efficiency are being incorporated into the planning and implementation processes in a growing number of organizations.
- **Building HR strategies:** Large organizations are encouraging their managers to invest in HR planning and develop improved staffing strategies.

AREAS OF CONCERN

- **Lack of managerial understanding:** Managers do not generally incorporate the flexibility and efficiency principles in their HR strategies. Although these principles are more prevalent in planning at a corporate level, they are not consistently practiced at the individual managers' level. This feeds into over-reliance on temporary staffing.
- **Insufficient use of student bridging:** Many managers in large organizations are not aware of the flexibility to hire, on a permanent basis, recent graduates who have worked previously for the Public Service while still students.

2.7.1 USE OF FLEXIBLE APPROACHES TO STAFFING

In general, departments and agencies reported that the principles of flexibility and efficiency are incorporated into their planning and implementation processes at a corporate level. However, this is not as evident for individual managers. For example, many managers continue to identify the length of the staffing process as a major delay that compromises service delivery results. This perception can lead to a greater reliance on temporary staffing, which is faster but often does not involve the same rigour of assessment as staffing for indeterminate positions.

Medium to large organizations: Medium to large organizations are using a variety of flexible approaches to staffing, as well as tools and technology, to achieve a balance between the staffing values and the management and service delivery principles. For example, 11 of 23 reporting organizations undertook generic staffing, while an additional five of 23 used generic competency profiles as well as holding large-scale competitive staffing processes on an occasional basis. These are often efficient in permitting multiple hires from one selection process.

Medium and large organizations are consistently making significant efforts to encourage managers to invest in HR planning, which allows for the development of staffing strategies and a more rigorous management of temporary staffing. Other approaches to value-based, affordable, and efficient staffing include:

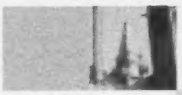
- targeted recruitment strategies;
- pre-qualified pools that use generic competitive processes;
- development programs; and
- greater use of the competency-based management model to integrate staffing, learning, HR planning, and performance management.

Small organizations: Small organizations, due to their relatively small budgets, tend to rely on targeted and cost-effective staffing strategies such as student employment programs. Although four small reporting agencies used generic competency profiles to help describe positions, none made use of generic staffing processes.

2.7.2 STUDENT BRIDGING

The student bridging mechanism is a staffing tool that can be used by managers of departments and agencies governed by the current PSEA and by separate employers that have established reciprocity agreements with the PSC. Managers can hire recent graduates provided that they are qualified and have previously worked in the Public Service as students and had been selected through programs such as Federal Student Work Experience Program or Co-operative Education and Internship Program.

Many organizations reported that they carefully consider the use of student bridging and perceive it as a positive and efficient staffing tool. However, as noted above, student bridging is used primarily by small organizations; only four large organizations reported using this staffing option.



Managers Need Greater Awareness of Student Bridging

A recent PSC study indicated that:

- 35% of managers who were surveyed were unaware of the student bridging mechanism as a staffing option; and
- 55% of managers who were aware of this option had never used it.

2.7.3 SPEED OF STAFFING

The PSC continues to improve the speed of external recruitment. Under the current PSEA, we are responsible for and can measure some of the processes, such as assessment and screening.

We work to ensure that departments and agencies take responsibility for efficiently managing their part of the staffing process. Organizations must make decisions about how they assess and select their future employees.

Delays in staffing from outside and within the Public Service are influenced by several factors. The lack of knowledge/expertise and availability of those involved (for example, managers or HR advisors) have a big impact on staffing time. Language testing, security clearance and formal appeals cause delays, but to a lesser extent.

Average Staffing Times

Over the past year, the speed of staffing for both internal and external sources remained comparatively stable. On average, it took 11 weeks to fill an executive position and 21 weeks to staff an indeterminate position below executive level with:

- a competitive process taking 23.5 weeks; and
- a non-competitive process taking 17 weeks.

The new PSEA will provide managers with increased authorities, allowing them more control over the speed of staffing.

2.8 KEY STAFFING ISSUES

Despite continuous progress, the Public Service is still facing key issues in instituting a staffing system that is closely aligned with the staffing values and managerial principles discussed in previous sections in this chapter. Two factors that contribute to these challenges are: capacity to manage human resources; and human resources planning.

The need to develop the HR community, essential to HR management, was recognized in the *2002-2003 Annual Report*. This year's analysis made it clear that, although departments and agencies were making efforts in this area, we still consider the weakness of the HR community to be a risk to the system. As well, we identified the need for improvements in organizational capacity to monitor and report on staffing performance, including managers' awareness of staffing issues.

We are still concerned with managers' capacity, specifically with their lack of awareness of staffing issues.

2.8.1 THE CHALLENGE OF MANAGING HUMAN RESOURCES

Larger organizations have made efforts to rebuild a strong corporate and strategic staffing function, recognizing that it is key to supporting operational managers, and some, particularly larger, organizations have integrated various elements of HR management – such as staffing, classification, official languages, and retention – into their business plans. This integration will help facilitate the transition to the new PSEA. However, some challenges remain.

Managers' lack of awareness of staffing issues: We are still concerned with managers' capacity, specifically with their lack of awareness of staffing issues. For example, as the spring 2003 *PSC Survey of Appointments* revealed, although managers as well as newly hired employees regard competency as very important within specific staffing processes, managers indicated that one of the main contributors to the slowness of the process was a lack of time on the part of board members, coupled with their lack of knowledge with regard to the staffing process.

How Managers Get HR Information

The spring 2003 *PSC Survey of Appointments* revealed that managers mostly upgrade their staffing knowledge through departmental courses (61%). When managers were questioned about their use of PSC resources, the following findings showed that a variety of tools were used:

- 66% had consulted the PSC Web site;
- 51% had used PSC staffing support; and
- 15% had attended PSC Staffing Values courses.

We think this area requires further effort, with a focus on building capacity for the future.

Lack of Commitment to Training

In the spirit of the new PSEA, we encourage organizations to delegate staffing authority to the lowest level possible to ensure that managers have the flexibility required to staff and manage. However, if managers are to understand and use these authorities effectively, they – and HR specialists – need to make a clear commitment to training.

The 2003-2004 reporting cycle has clearly demonstrated that organizations offer a wide range of training and information related to HR management that is almost universally available to all employees, including HR specialists and selection board members. Examples include:

- the Internet and Intranets – the main communication vehicles used by most organizations;
- e-learning courses, workshops, information sessions, training courses and new manager/ employee orientation courses – offered by departments and agencies; and
- the PSC's *Managers' Handbook on Staffing and Recruitment* – which is widely promoted and used throughout the Public Service.

Many organizations invested in maintaining and updating consistent levels of knowledge as well as application of staffing issues among their staffing specialists, through:

- participation in various HR fora;
- regular HR tele-conferences within decentralized organizations; and
- provision of tools.

Medium-Large Organizations: Areas of Risk

Together with these positive trends are two areas of concern identified by the reporting organizations:

- Managers receive training on staffing issues when such training is a pre-condition of sub-delegation. However, when this training is optional for managers and selection board members, the rate of voluntary participation is not monitored.
- Some organizations have limited their internal HR function activities by choosing to provide HR tools to managers to strengthen their staffing capacity, rather than engaging HR specialists. The mixed results from this strategy indicate that the need for HR specialists remains high.

The staffing system's long-term capacity to maintain a competent Public Service will continue to be at risk until HR planning becomes a standard, integrated part of organizational planning.

2.8.2 THE CHALLENGE OF HUMAN RESOURCES PLANNING

The challenge of HR planning is closely inter-related to that of managing HR. The staffing system's long-term capacity to maintain a competent Public Service will continue to be at risk until HR planning becomes a standard, integrated part of organizational planning.

Integrating HR and Organizational Planning

Many large departments reporting this year (14 of 23) undertook comprehensive HR planning. Nine of these departments were also implementing staffing, recruitment, and retention initiatives as well as plans and frameworks aligned to business priorities. Their strategies focused on the use of:

- staffing authorities;
- prime user inventories;
- student programs;
- pre-qualified pools;
- development programs;
- learning platforms; and
- youth networks.

Organizations that did not undertake HR planning provided the following reasons:

- the need to re-define all business processes first (six of 20 small reporting organizations fit into this category);
- no need to undertake new recruitment,
- stable workforce; or
- recent amalgamation.

While some progress is being made, a recent survey of Public Service managers indicated that HR planning is not happening to the extent we would have expected.

Managers' Perceptions of Integrated Planning

Many organizations noted that HR planning was integrated into their business planning processes. However, a 2003 survey of managers revealed that:

- only 36% of those surveyed felt that their department's HR strategy was very well defined; and
- only 30% of those surveyed perceived that their organization's HR strategy was linked to their business plans to a great extent.

The PSC feels that managing human resources, including staffing, without stronger HR planning is unacceptable. We will continue to monitor this area and will report on it again next year.

The Need for Leadership in HR Planning

This year we have seen some improvement, such as individual departments and agencies linking HR plans and learning needs with organizational performance. However, we have also identified the need for strategic leadership and action in this area. Such leadership would strengthen:

- management accountability at all levels for HR planning;
- the integration of HR planning with business planning;
- communication on the importance of HR planning;
- central agency-based HR planning support, including tools, guides, and frameworks;
- resources necessary to HR planning; and
- development of a curriculum for managers and HR specialists that focuses on skills development.

Last year, departments and agencies continued to work diligently to improve HR leadership and planning capacity. In its February 2004 report, the Interdepartmental HR Planning Working Group defined current HR planning challenges and proposed various steps to achieve an optimal outcome. The Group also created a common HR planning template for current and future HR needs, to be shared, adapted, and refined by Public Service organizations. Leadership and accountability, together with reporting and measurement, were identified as key elements in the creation of a successful HR planning function. The 2004 publication by the HR Planning Working Group reporting to the Deputy Minister's Sub-Committee – Staffing and Staffing Recourse, entitled *HR Strategies in Times of Change*, provides more than 250 examples of promising organizational practices, many of which are central to HR planning-related efforts.

As well, the Group identified critical elements supporting the vision of the Public Service of Canada as a world leader in HR planning, including:

- support from central agencies and departmental headquarters;
- appropriate resource allocation; and
- information technology systems providing accurate demographic forecasting as well as recognition that HR planning requires unique knowledge, training, and accreditation.

BEST PRACTICE

Public Works and Government Services Canada's "Bilan Social" is a very good example of the integration of mandate, management of resources, consideration and impact on the workforce, with client-service outcomes and results for Canadians. It is a comprehensive annual HR report on the state of the department's workforce, which provides managers with qualitative and quantitative information related to HR management.

CHAPTER 3: RECRUITMENT

CHAPTER 3: RECRUITMENT

3.1 INTRODUCTION

External recruitment is the primary mechanism for replenishing the federal Public Service. Since the mid-1970s, the Public Service workforce has aged at a faster rate than the Canadian labour force, suggesting that it may be more vulnerable to the impending retirement of "baby-boomers". The resulting increase in pressure on recruitment will be further exacerbated by the "baby-bust": low levels of births in the late 1970s and early 1980s.

For the Public Service, the end result will be an increased demand for skilled workers, compounded by a reduced supply of new labour market entrants. With the anticipated increase in retirements and a shrinking youth population, competition with other sectors for younger and highly educated employees is expected to increase in the future. This will put further pressures on the Public Service to maintain its position as an employer of choice, and on departments and agencies to develop sound human resources (HR) plans in order to better anticipate recruitment needs.

As discussed in our previous Annual Reports, better human resources planning is needed to renew the Public Service workforce and remain competitive in attracting new talent. Our concerns led to a discussion of barriers to human resources planning in our *2001-2002 Annual Report.* Issues such as short-term funding, a culture of trying out new staff on a temporary basis, as well as workload pressures and temporary absences, continue to encourage the use of short-term staffing. While some progress has been made, the results of this heavy reliance on short-term staffing are evident in the discussion of recruitment programs in this chapter.

This issue takes on additional urgency, as human resources planning is a cornerstone of the *Public Service Modernization Act* (PSMA), which will come into full force in December 2005.

Over the past few years, as part of its overall strategy to ensure a better alignment of recruitment services with departmental needs and the philosophy of the PSMA, the Public Service Commission (PSC) has worked actively to enhance existing recruitment programs and to modernize the way recruitment is done. Over the next few years, as per the PSMA's preamble, the PSC will seek to fully delegate its recruitment authorities to departments and agencies, and to focus on its core mandate: overseeing how recruitment is done. It will provide assurance on how well the underlying values of the Public Service staffing system are upheld and promoted when departments and agencies recruit from outside the federal Public Service.

3.2 GENERAL OBSERVATIONS ON RECRUITMENT

The Public Service continues to be perceived by Canadians as an employer of choice. As evidence, the PSC's job-posting Web site, (jobs.gc.ca) averaged over 1.2 million visits per month, and it is not uncommon for the PSC to receive hundreds of applications for a single job opportunity. In light of an anticipated tightening of the labour market and increasing retirements, the challenge for the federal Public Service will be to ensure that it remains competitive among major recruiters in attracting highly qualified candidates. To do this, the necessary tools to deal with large volumes of applications and to identify more efficiently highly skilled workers will become critical.

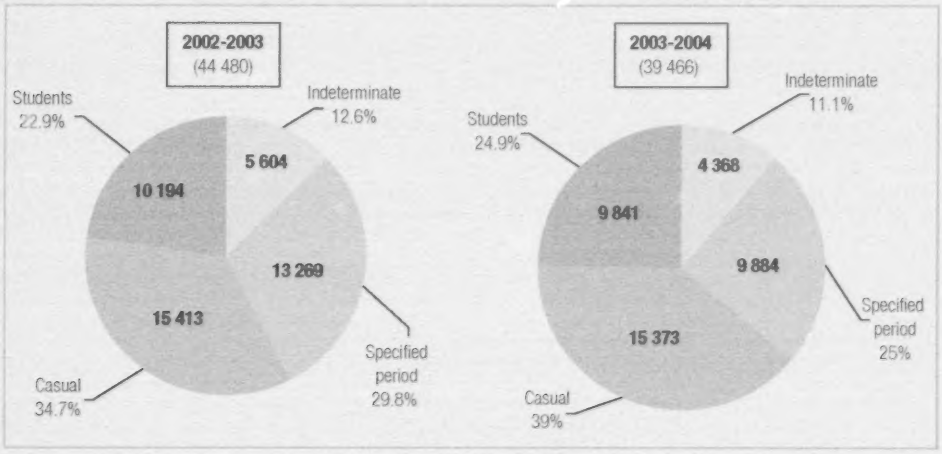
The PSC's job-posting Web site, (jobs.gc.ca) averaged over 1.2 million visits per month...the necessary tools to deal with large volumes of applications and to identify more efficiently highly skilled workers will become critical.

During fiscal year 2003-2004, a total of 39,466 new hires entered the Public Service workforce. Of these, 4,368 were for indeterminate positions, 9,884 were specified period (term) positions, 15,373 were casual hires, and 9,841 were for student employment.[4] When compared to last year, two key trends in recruitment are noteworthy:

- the continued reliance on casual hiring; and
- an overall drop-off in the external recruitment of indeterminate employees.

This is illustrated in the graphs below.

Overall hiring activities by tenure*



* Please see Appendix 1: "Statistical Information and Technical Notes" for more information.

4. Indeterminate and specified period (term) appointments are subject to all provisions of the *Public Service Employment Act* (PSEA), while casual workers and students are not. Casual employment can be used for emergencies, to fill short-term absences, or for specific short-term projects.

3.3 CASUAL HIRES

The PSC continues to be concerned about the use of temporary hiring and its potential impact on the overall health of the staffing system. In 2003-2004, a total of 15,373 persons were hired as casuals (39.0% of all new hires compared to 34.7% in 2002-2003). This represents the fourth consecutive year where the number of casuals hired has surpassed the number of new hires to term positions.

The PSC considers casual hiring as a significant risk to equity of access because casual workers do not have to go through a selection process based on merit. This is of particular concern, as demonstrated by PSC data about the movement of casual workers from June 1998 to June 2003. The data showed that of the 4,424 casual employees on staff in June 1998, approximately 27% became indeterminate employees, while another 7% were appointed for a specified period.

As indicated in last year's Annual Report, the PSC feels strongly that identifying long-term needs via sound HR planning is crucial to helping departments and agencies develop effective recruitment strategies that would better prepare them to compete for new talent and allow them to hire more often on an indeterminate basis.

3.4 SPECIFIED PERIOD (TERM) EMPLOYMENT

In 2003-2004, 9,884 new hires were appointed to term positions. This represents a 25.5% decrease in the overall number of new term hires when compared to 2002-2003. Although term hires now represent 25% of all new hires compared to 29.8% last year, this decrease is closely mirrored by an increase in the relative importance of casual hires, which now represent 39.0% of all new hires compared to 34.7% in 2002-2003.

3.5 INDETERMINATE HIRES

When compared to 2002-2003, overall external indeterminate hires have decreased by 22% (down to 4,368 from 5,604). This is reflective of the general decrease in external recruitment overall. Although a short-term approach to HR planning remains a contributing factor, the recent change in Treasury Board's term employment policy may also have contributed to the overall decrease in external indeterminate hires. According to the new policy, employees in term positions only need to serve three consecutive years, instead of five, before being converted to indeterminate status. With this change in policy, a number of term employees with three years of service or more were immediately eligible to be converted to indeterminate status.

It is likely that this increase of term employees to the indeterminate population proportionately reduced the need to recruit externally for indeterminate positions. In fact, when compared to 2002-2003, the total number of new indeterminate employees appointed both from outside and from within the Public Service remained relatively stable at approximately 14,150. This suggests that the drop in external indeterminate recruitment was compensated for by an increased inflow of term employees (see text box below).

Term Employees a Key Source of New Indeterminate Employees

Between 2000-2001 and 2002-2003, approximately 60% of new indeterminate employees were previously term employees. In 2003-2004, the percentage of new indeterminate employees who were previously term employees rose to 69%.

This, in part, reflects the change in policy on term employment.

Both the Office of the Auditor General and the PSC have commented on the need for HR plans that are fully integrated with departmental business plans as a means to better identify long-term workforce needs and reduce the Public Service's reliance on temporary hiring. Although recent changes to the Term Employment Policy may help reduce the use of term employees, without proper HR planning, reliance on casual hires is likely to be an ongoing issue for years to come.

3.6 NATIONAL AREA OF SELECTION

In 2001, a national area of selection became the norm for all senior officer-level jobs open to the general public.

With the advent of Internet job postings in the mid-1990s, information on federal job opportunities became accessible to a larger pool of potential candidates.

Over the past three years, increased awareness of the use of geographic limits to determine candidates' eligibility for Public Service jobs, also known as "area of selection", has led to growing concerns on the part of Canadians and parliamentarians about equity of access. More recently, the use of geographic areas of selection has been the subject of further scrutiny with the enactment of the PSMA, which has reiterated the PSC's authority on this matter.

In response to these concerns and in recognition that times have changed, we have reviewed the area of selection policy and examined the feasibility of removing geographic limits to recruitment activities open to the general public. In 2001, a national area of selection became the norm for all senior officer-level jobs open to the general public.

As reported in last year's Annual Report, results of two pilot projects conducted by the PSC in 2002 showed that:

- due to the resulting growth in the number of applications (a 128% increase), the generalized use of a national area of selection could not be supported with the existing manual recruitment system; and
- e-Recruitment was a promising alternative because it allows for automated screening of large numbers of applications, thus alleviating one of the main obstacles to making Public Service jobs available on a national basis.

These results further highlighted the pitfalls that we might encounter if we moved toward a national area of selection without the proper tools to manage larger volumes of applications. For instance, to avoid dealing with the significant additional volume of applications generated by widespread use of a national area of selection, hiring managers may be tempted to increase their reliance on:

- manipulating job qualifications;
- reducing hiring from outside the Public Service; or
- using alternative hiring practices, such as casual employment or personal service contracts.

With this in mind, the PSC considered a measured and responsible approach whereby the use of a national area of selection would be phased in as modern recruitment tools, such as e-Recruitment, become available. On June 13, 2003, in a report to parliamentarians, *Enhancing Canadians' Access to Federal Public Service Jobs – Expanding the Use of National Areas of Selection*, the PSC tabled its plan to gradually remove geographic limits in competitions open to the public.

In its plan, the PSC emphasized the importance of ensuring the availability of a modern e-Recruitment system to manage applicant volumes effectively and support the widespread use of a national area of selection. Since presenting its plan to parliamentarians, the PSC has continued to work on e-Recruitment to the extent possible and has prepared preliminary Treasury Board submissions to seek support for the preparation of a full project proposal.[5]

5. In July 2004, the PSC obtained preliminary project approval and $3.5 million in funding to start work on a Treasury Board Submission for Effective Project Approval. The latter Submission is expected to be completed during the last quarter of this fiscal year.

3.7 E-RECRUITMENT

To demonstrate the feasibility of screening technology given federal Public Service requirements, the PSC has taken the initiative to develop an e-Recruitment prototype for certain types of jobs. Known as the Public Service Resourcing System (PSRS), this prototype has shown promising results to date. Since the original launch of PSRS in April 2003 in the National Capital and Eastern Ontario Region, the PSC has continued to improve its electronic screening capabilities. In December 2003, the prototype was expanded to include the Central and Southern Ontario Region.

During 2003-2004, approximately 40% of jobs posted in these two regions, as well as many staffed through inventories, were processed using electronic screening. This has significantly reduced the manual screening to be done by hiring managers. For example, the average number of applications for jobs advertised using PSRS was 237, while the average number of applications referred to hiring managers was 34. Without this new automated feature, hiring managers would have had to manually screen the majority of applications received.

From an applicant's perspective, e-Recruitment allows those who apply for government jobs to receive timely feedback online. Also, as electronic systems require hiring managers to clearly specify job requirements beforehand, applicants can better target their job search and have a better appreciation of the screening process.

From the perspective of hiring managers, e-Recruitment provides both a manageable number of high quality referrals quickly and a means to monitor and report on recruitment activities.

In developing its prototype, the PSC has incorporated standards that will ensure the protection of merit, respect for government-wide policies such as employment equity and official languages, and compatibility with existing departmental HR systems. Although the prototype is being built according to the existing legislative framework, as the policy framework for the new PSEA emerges, design enhancements to exploit new staffing flexibilities will be integrated.

PSRS is currently being evaluated by the PSC's Personnel Psychology Centre to ensure psychometric reliability and validity, and respect for merit, and to assess potential adverse impact on employment equity group members. Preliminary results of the evaluations are positive and lend support to the rigorous approach taken by the PSC in developing its prototype. A key finding of the evaluation report is that PSRS's electronic screening approach outperformed the traditional manual approach in both efficiency and in the improved overall quality of candidates referred

to departments. A second key finding is that visible minority group members are screened in at equal or higher rates than their representation in the applicant pool, suggesting that the tool does not have any adverse impact for this group. Over time, as more data becomes available, similar analyses will be performed for Aboriginal peoples, persons with disabilities and women.

The PSC envisions a common e-Recruitment system to serve all departments and agencies. Such a system would not only ensure merit and enhance equity of access to federal jobs for Canadians, but also better position the PSC and departments for their changing roles and responsibilities expected as a result of HR modernization.

For full implementation of the prototype design, complete with proven functionality to support the new PSEA and enhanced access, the PSC is considering moving to a public/private sector collaboration where the private sector would provide the technology infrastructure while the PSC would provide system content and standards. Such a collaboration would allow the PSC to better leverage its investment in e-Recruitment by ensuring standardized processes and technologies consistent, not only with Public Service staffing values and policies, but also with federal Public Service technology policies and standards.

However, technology is only one aspect of the challenge of building an e-Recruitment system. It must also be supported by an appropriate governance framework. To this end, the PSC has focused its efforts on building an appropriate governance infrastructure to ensure proper responsibility and accountability for the successful implementation of e-Recruitment by the PSC, its partners, and departmental stakeholders.

3.8 USING RADII TO DEFINE AREAS OF SELECTION IN THE ATLANTIC REGION

In the meantime, the PSC continues to pursue other avenues to enhance Canadians' access to Public Service jobs. For example, in December 2002, the PSC reviewed its policy on area of selection in the Atlantic provinces. Before December 2002, the determination of areas of selection in the Atlantic Region varied from one province to the next. This practice led some Canadians and Members of Parliament to express concerns regarding the perceived lack of transparency and consistency in defining areas of selection in Atlantic Canada.

To increase transparency and access, the PSC conducted a pilot project to standardize how areas of selection are defined in the Atlantic provinces. Standard radii were established to define local and regional areas of selection for recruitment opportunities in that region.

The local and regional radii used were established as:

local area: 75 km in Nova Scotia, New Brunswick and Prince Edward Island and 150 km in Newfoundland and Labrador

regional area: 200 km in Nova Scotia, New Brunswick and Prince Edward Island and 600 km in Newfoundland and Labrador

As standard radii are implemented for all job opportunities not using a national area of selection, candidates know beforehand whether they would be eligible to apply, depending on the job location.

An evaluation of the first year of the pilot project has been conducted and it has been concluded that the main objectives of increased transparency and access have been achieved. The evaluation also identified areas that need improvement, for example, the attainment of employment equity and official language objectives. The PSC is currently considering using larger radii to assist departments in their efforts to increase employment equity and official language representation objectives. The PSC has decided to continue to use standard radii in the Atlantic provinces until a national area of selection can be implemented.

3.9 RECRUITMENT OF BILINGUAL CANADIANS: *ACTION PLAN FOR OFFICIAL LANGUAGES*

In March 2003, the federal government released the *Action Plan for Official Languages* to revitalize and support Canada's linguistic duality. The Plan included measures to create an exemplary Public Service. With respect to recruitment for bilingual jobs, one of the challenges faced by the Public Service is that potential recruits do not appear to have a clear understanding of official language requirements in the Public Service. As a result, many potential candidates may screen themselves out or, conversely, over-estimate their degree of second language proficiency.

Although the determination of language requirements for bilingual jobs is incumbent upon hiring managers, the PSC plays a vital role in informing Canadians about the requirements for bilingual jobs in the Public Service, as well as the method used to evaluate second language proficiency.

In the context of the Plan, the Public Service Human Resources Management Agency of Canada (PSHRMAC)[6] and the PSC jointly developed a five-year approach to strengthen the recruitment of candidates for bilingual jobs in the Public Service.

For 2003-2004, the PSC's efforts were devoted to setting the stage for the five-year strategy. Among key accomplishments, the PSC:

- conducted a demographic analysis of bilingual Canadians;
- produced a DVD explaining second language requirements and the method used to evaluate second language proficiency in the Public Service in order to provide guidance to potential candidates;
- developed a preliminary list of educational institutions offering immersion or second language training programs to better target marketing efforts and explore opportunities for partnerships;
- modified its application forms and information systems to better track information on open competitions held for bilingual jobs;
- established linkages with departmental initiatives at the local level to share information, avoid duplication, and sensitize departments and agencies to recruitment activities for bilingual jobs; and
- developed an evaluation framework to monitor and measure the achievement of project objectives and track project-related information.

The demographic analysis identified the breakdown and main characteristics of bilingual Canadians, such as first official language, age and education, in order to help target bilingual recruitment efforts in the future. The analysis was done by Consulting and Audit Canada, using Statistics Canada's Census 2001 data.[7]

6. The PSHRMAC was created on December 12, 2003. The Agency brought together units from the Treasury Board Secretariat and the PSC to focus on HR management issues.
7. Information is based on a self-assessment.

As shown on the map, the province with the largest bilingual population is Quebec (2.9 million), followed by Ontario (1.3 million) and British Columbia (269,000). The province with the smallest bilingual population is Prince Edward Island (16,000).

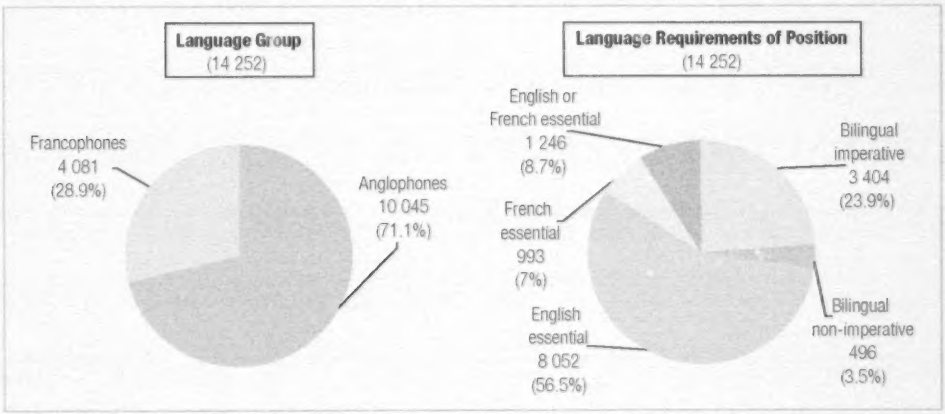
The demographic analysis also revealed that the province which has the greatest percentage of bilingual people is Quebec (41%), followed by New Brunswick (34%), Prince Edward Island (12%) and Ontario (12%). The province in which the bilingual population accounts for the smallest percentage is Newfoundland and Labrador (4%).

In 2004-2005, the PSC will focus on strengthening its communications to Canadians about language requirements and second language evaluation in the Public Service. To do so, the PSC will enhance its Web site and seek opportunities and venues to make presentations to: post-secondary institutions offering immersion or second language training programs; targeted interest groups such as associations representing official languages minority communities; the general public interested in knowing more about recruitment for bilingual jobs in the Public Service; and Public Service committees, networks and departments and agencies involved in recruiting for bilingual jobs.

In 2004-2005, the PSC will focus on strengthening its communications to Canadians about language requirements and second language evaluation in the Public Service.

As the following graphs show, in terms of language groups, anglophones make up 71.1% of new appointees to the Public Service, while francophones make up 28.9%. In terms of the language requirements of the positions to which new recruits are appointed, the majority (56.5%) are English essential while almost a quarter (23.9%) are bilingual imperative.

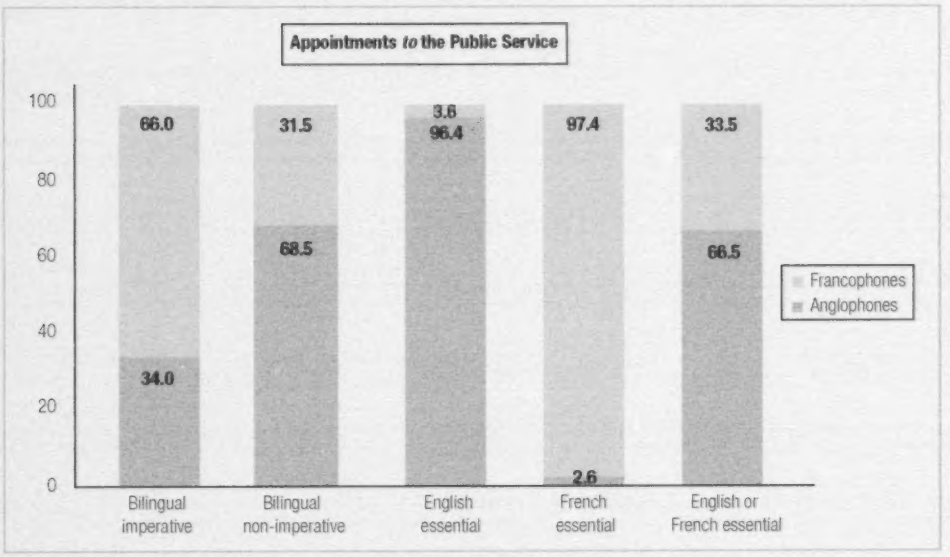
Number and percentage of appointments *to* the Public Service by language group and language requirements of position 2003-2004*



* Please see Appendix 1: "Statistical Information and Technical Notes" for more information.

The next chart indicates that English essential positions are almost exclusively filled by anglophones. Similarly, French essential positions are almost exclusively filled by francophones. For positions designated bilingual non-imperative and English or French essential, the francophone-anglophone split is similar to that found in recruitment overall. However, for bilingual imperative positions, francophones are far more likely than anglophones to be appointed, representing 66.0% of all such appointments.

Percentage of appointments *to* the Public Service
by language group and language requirements of position
2003-2004*



* Please see Appendix 1: "Statistical Information and Technical Notes" for more information.

3.10 RENEWAL THROUGH RECRUITMENT OF YOUTH

The Public Service has a variety of recruitment and development programs and mechanisms aimed at increasing its ability to attract and hire post-secondary graduates and students. The recruitment programs include:

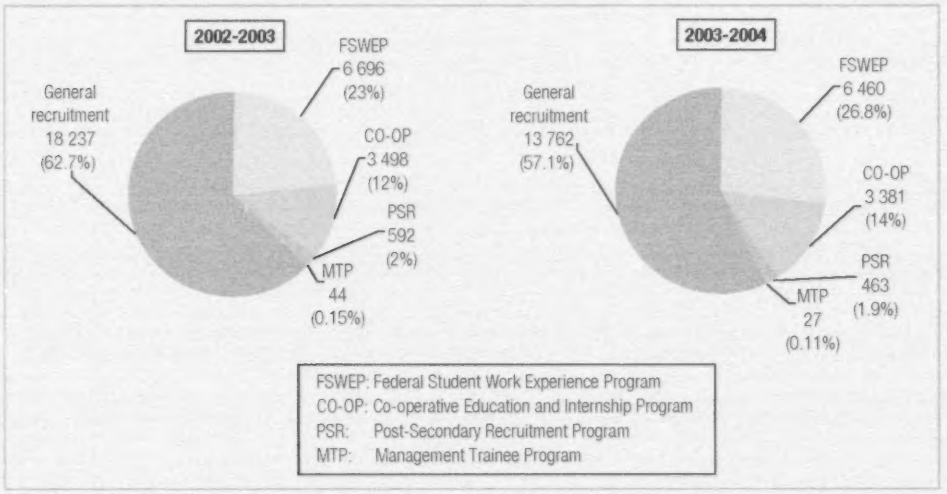
- the Federal Student Work Experience Program (FSWEP);
- the Co-operative Education and Internship Program (CO-OP);
- the Post-Secondary Recruitment (PSR) Program;
- the Management Trainee Program (MTP); and
- the Accelerated Economist Training Program (AETP).[8]

These programs offer organizations efficient vehicles for rejuvenating their workforce and meeting recruitment objectives.

8. On April 1, 2004, the MTP and the AETP were transferred to the PSHRMAC, along with the Career Assignment Program, the Accelerated Executive Development Program, the Assistant Deputy Minister Pre-qualified Pool, and Interchange Canada.

The following graphs represent the distribution of general recruitment and student programs.

Distribution of recruits under recruitment programs*



* Please see Appendix 1: "Statistical Information and Technical Notes" for more information.

3.10.1 FSWEP and CO-OP

FSWEP and CO-OP provide many students with a first step into the Public Service and can become a gateway to a number of other opportunities, including the possibility of being bridged into a permanent Public Service job. Therefore, the process for hiring students must not only be fair and equitable but also be perceived as such.

Student Programs at a Glance
In 2003-2004, 9,841 students were hired through student programs with:
• FSWEP bringing in 6,460; and
• CO-OP attracting 3,381.

FSWEP: In response to a 2002-2003 special audit of FSWEP, we requested that all deputy/agency heads review the way in which the Program is administered in their organizations to ensure that irregularities be addressed. In addition to this review, which uncovered a high risk of pre-matching (see last year's Annual Report), many organizations set up internal control mechanisms to ensure appropriate use of the Program and re-affirm their commitment to FSWEP's intent and values. The PSC, in turn, implemented a comprehensive action plan, which included a national approach to:

- improve understanding of the Program;
- enhance systemic safeguards limiting the risk of pre-matching; and
- reinforce the oversight role of front-line PSC staff.

The November 2003 follow-up indicated that departments and agencies were complying with the corrective measures introduced as a result of the 2002 FSWEP audit.

The November 2003 follow-up indicated that departments and agencies were complying with the corrective measures introduced as a result of the 2002 FSWEP audit.

CO-OP: With respect to CO-OP, as a result of concerns raised by PSC employees regarding the integrity of CO-OP staffing, a letter was sent to the Heads of Human Resources of all departments and agencies in February 2004, reiterating the importance of respecting Public Service values when hiring students via CO-OP.

STUDENT BRIDGING

Student bridging allows managers to hire recent post-secondary graduates for Public Service jobs. To be bridged, students must be qualified and have previously worked in the Public Service through either FSWEP or CO-OP.

Many organizations reported that the use of bridging is carefully considered, because it is viewed as a positive and efficient career management tool. Nevertheless, the PSC is concerned about hiring managers' knowledge of available staffing flexibilities such as student bridging. As discussed in Chapter 2, a PSC survey of appointments indicated that 35% of managers were unaware of student bridging as a staffing option and that approximately 55% of managers had never used this authority.

3.10.2 POST-SECONDARY RECRUITMENT PROGRAM

The Post-Secondary Recruitment (PSR) Program is designed to help departments and agencies address their HR needs by providing them with the flexibility to recruit university graduates year-round.

PSR attracts recent graduates from a wide variety of disciplines into entry-level positions in the Administrative, Foreign Service, Scientific, and Professional categories. Over the past few years, we have invested extensively in promoting PSR as a viable recruitment tool and worked actively to enhance the Program to better meet the needs of departments and agencies. Key changes included:

- developing new technology to support the Program;
- making PSR available year-round; and
- establishing an inventory of post-secondary graduates.

As a result of these changes, in her May 2003 report, the Auditor General commended the PSC for its successful redesign of the PSR Program.

Fall 2003 PSR campaign: Although PSR is available for advertising career streams year-round, most departments using PSR do so in the fall. During the fall 2003 recruitment drive, approximately 22,000 university graduates from across Canada and abroad applied to 17 different available career streams. Taking into consideration candidates who apply to more than one career stream and career streams that require the administration of more than one test, the PSC administered approximately 27,000 tests. Although the PSC referred 9,038 candidates to departments, fewer than 500 candidates were hired of which 294 were appointed to indeterminate positions.

As reported in last year's Annual Report, both the PSC and the Office of the Auditor General have signalled concern with the drop in the number of appointments made through the PSR Program.

PSR general inventory: In addition to career streams offered via the PSR recruitment drives, the PSC also maintains a general inventory of post-secondary graduates. The general inventory was created to afford departments the flexibility to recruit recent post-secondary graduates by getting referrals directly from the PSC without having to advertise. This inventory is available year-round to all departments, across Canada, to fill a range of officer-level positions requiring a university degree. In 2003-2004, approximately 10,000 applicants registered for the PSR general inventory; approximately 58% have been tested.

However, less than 1% (92) of these applicants were hired into the Public Service as indeterminate employees. As reported by the Auditor General in May 2003, departments and agencies made limited progress in developing strategic HR plans. Many hiring managers "continue to adopt the expediency of short-term hiring, despite the opportunity to recruit through a fast and flexible program" such as the PSR inventory. As a result, the PSR inventory – although accessible year-round – has not been utilized as widely as envisioned when it was first introduced.

In the meantime, we are seeking other avenues to further promote the PSR Program as a recruitment avenue and get firm commitments from departments and agencies to consider and use PSR as a means to meet their recruitment needs.

We are seeking other avenues to further promote the PSR Program as a recruitment avenue and get firm commitments from departments and agencies to consider and use PSR as a means to meet their recruitment needs.

3.10.3 MANAGEMENT TRAINEE PROGRAM

The objective of the Management Trainee Program (MTP) is to recruit and develop highly qualified individuals for key positions of responsibility in the Public Service. It offers talented graduates and employees with high potential the opportunity to lead a representative and diversified Public Service into the future. The MTP provides:

- hands-on work experience through assignments with departments and agencies;
- an educational component that complements acquired job experience by focusing on the basic knowledge and skills required by Public Service managers; and
- a curriculum set against a backdrop of larger issues including governance, policy-making, service to the public, and values and ethics.

As of March 31, 2004, the MTP had 266 participants; 47 of these participants were recruited by the PSC on behalf of various organizations during fiscal year 2003-2004.[9]

MTP Graduates Move Faster into EX Positions

A 2003 PSC study demonstrated that MTP graduates move faster into the EX category than a similarly representative group of the Public Service population. Based on the results of the study, one out of five MTP graduates (19%) who started two levels below the EX category entered EX positions within the five-year period following graduation, as compared to 12% for non-MTP participants.

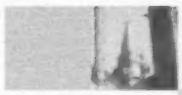
3.11 THE FUTURE OF SERVICE DELIVERY AT THE PSC

The PSMA has fundamentally changed expectations regarding the manner in which our recruitment and assessment services will be delivered in the future. In the past, we have largely retained the authority to recruit from outside the federal Public Service; however, over the past few years, we have promoted the delegation of our recruitment authorities.

This delegation allows us to gradually divest a number of services and gives us an opportunity to invest further in our oversight function. However, a different service role remains at the PSC, as we possess the expertise in the area of recruitment and assessment services and a need exists to maintain a critical mass of expertise on which delegated departments can rely for effective service delivery. In a fully delegated staffing regime, organizations are expected to have increased flexibility in determining which service delivery option best suits their particular needs and context. Options include:

- taking charge of their own services;
- partnering with other departments;
- using a service provider from within or outside of the Public Service; or
- some combination of these options.

9. Includes participants on language training.



Anticipating that many organizations will want to examine all options available to them, our challenge will be to develop service delivery models that will be sufficiently flexible to respond to the needs of departments and agencies, while providing the conditions for an effective oversight of these services.

We are in the process of better distinguishing between our roles as the overseer of Public Service staffing and as a service provider to departments and agencies. In this transition period, we want to ensure that our service delivery arm will be well positioned as an option for departments and agencies. Therefore, we are currently taking action to enhance our services.

We are in the process of better distinguishing between our roles as the overseer of Public Service staffing and as a service provider to departments and agencies.

As set out in the PSMA, the employer will be responsible for identifying federal Public Service-wide human resources needs. The employer is expected to play a leadership role in determining the role that central recruitment programs such as FSWEP and PSR can play in meeting the needs of the federal Public Service.

3.12 CONCLUSION

The Public Service must be proactive in order to maintain its position as a leader in recruitment and to prepare for the wave of "baby-boomer" retirements. Although we continue to ensure that tools such as PSR and e-Recruitment are in place to assist organizations in planning ahead for modernization, little substantial progress can be achieved without linking HR planning to business planning. In addition, increased delegation of recruitment authorities to departments and agencies will call for strong leadership by the employer *vis-à-vis* corporate recruitment issues, as well as better coordination of recruitment strategies and efforts of all stakeholders.

CHAPTER 4: AUDITS, APPEALS AND INVESTIGATIONS

CHAPTER 4: AUDITS, APPEALS AND INVESTIGATIONS

4.1 INTRODUCTION

As noted in earlier chapters, the *Public Service Modernization Act* (PSMA) sets a new course for the Public Service Commission (PSC) by focussing our mandate on policies and procedures for safeguarding the integrity of the appointment process and finding the right balance between delegation with accountability and the provision of leadership and the setting of standards. Our oversight role will involve:

- monitoring and assessing the performance of the staffing system;
- communicating to departments what is required, how they are doing, and what they need to improve; and
- reporting our findings to Parliament.

Ensuring adequate oversight requires that we undertake a wide array of audits and investigations.

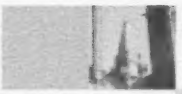
4.2 AUDITS

Audits, in conjunction with other mechanisms for gathering information, are important tools for assessing the health of the staffing system as a whole. We coordinate the work of our audit teams with that of the wider auditing community to achieve results in an effective and efficient manner.

Audit capacity: As part of our oversight function, we are also in the process of building our audit capacity by hiring and training auditors, providing them with the necessary tools to conduct their work, and building up the infrastructure needed to report the results of audits.

Types of audits: To ensure complete coverage of our audit "universe" of departments and agencies subject to the current *Public Service Employment Act* (PSEA), we conduct various types of audits:

- cyclical audits;
- issue-based audits flowing from our risk management framework; and
- *ad hoc* or urgent audits when the need for an immediate audit has been signalled.



4.2.1 AUDIT OF THE OFFICE OF THE PRIVACY COMMISSIONER

In spring 2003, the House of Commons Standing Committee on Government Operations and Estimates held hearings to scrutinize the *Estimates* of the Office of the Privacy Commissioner (OPC). As a result of those hearings, we were asked to examine the management of staffing at the OPC, staffing processes, and the application of the Policy on the Internal Disclosure of Information Concerning Wrongdoing in the Workplace with respect to appointment processes.

We conducted an audit of the OPC and released our report in September 2003.

The problems: Our audit team found serious deficiencies in the OPC's management and operation of recruitment, staffing, and promotion. Although some hiring and promotions at the OPC technically met legislative requirements, the staffing values that underlie them were not respected. In addition to individual transactions that did not comply with the relevant legislative and policy framework, key elements of a staffing management control system were missing. These included:

- lack of transparent communication with staff on hiring and promotion opportunities;
- absence of clarity between managers and human resources professionals on roles and responsibilities; and
- no regular reports to the management team on staffing patterns.

Audit recommendations[10]: Prior to the start of the audit, the PSC had imposed some conditions on the OPC's authorities for non-executive staffing and had withdrawn the delegation of authority for any appointment to executive positions. The audit recommended that these conditions be maintained until a follow-up to the audit took place. Other recommendations included a call for the OPC to:

- develop and implement a staffing strategy; and
- sub-delegate staffing authority to knowledgeable individuals.

10. The full report can be found at www.psc-cfp.gc.ca/centres/opc/report-rapport_e.htm

Follow-up to the Audit (2004): The results of the follow-up to the audit indicate that the OPC has made some progress in addressing the findings and recommendations of the 2003 audit. In spite of significant efforts, however, targeted dates for improvement have not been met. Most notably, the OPC has not yet finalized, implemented and communicated its staffing strategy. Nor has it put in place the required reporting and control system. Based upon the way in which the OPC approaches individual staffing transactions, the PSC concludes that more work is required to demonstrate that staffing values are being respected and that efforts to change the management culture continue. The PSC is maintaining the conditions on OPC staffing until it is confident that the capacity in management and the human resources function is in place to provide appropriate staffing advice to OPC management.

4.2.2 A STUDY OF THE CAPACITY OF DEPARTMENTS AND AGENCIES TO MONITOR AND REPORT ON VALUES-BASED STAFFING

In our previous Annual Report we indicated that the PSC was undertaking a study of the capacity of departments and agencies to monitor and report on their management of staffing. This study was undertaken so that the PSC could continue to assist with the development and strengthening of accountability tools; which is particularly important in preparing for the implementation of the new PSEA.

The study concluded that there is a wide recognition within the human resources (HR) community of the importance of staffing performance measures in accounting for the exercise of staffing authorities delegated to departments by the PSC, but some challenges need to be addressed. The study identified key factors that are impeding the ability of departments and agencies to render account of their staffing performance:

- the lack of sufficient resources for monitoring and reporting;
- the lack of coordination between key partners within the department or agency in preparing staffing accountability reports;
- the lack of training and development in accountability reporting; and
- the lack of clear measures against which staffing performance may be assessed.

While the study points to the need for improvement in the tools and systems to collect the information, the more pressing issues identified relate to a lack of resources and expertise. These issues are pressing – not only in the context of today's challenges, but also in view of the impending implementation of the PSMA, which advocates further delegation of staffing authority (see also Chapter 1).

4.3 APPEALS AND INVESTIGATIONS

We provide two independent recourse processes in support of sound staffing in order to protect the public interest and promote the application of merit, fairness, equity, and transparency in staffing.

4.3.1 APPEALS

Pursuant to section 21 of the current PSEA, appeals from unsuccessful candidates are heard against appointments resulting from Public Service selection processes. If the appeal is allowed, the PSC will then prescribe appropriate corrective measures to rectify the defect in the selection process.

4.3.2 INVESTIGATIONS

Investigations are conducted into alleged breaches of the current PSEA and *Regulations* concerning irregularities in staffing processes that are not subject to appeal. Examples include:

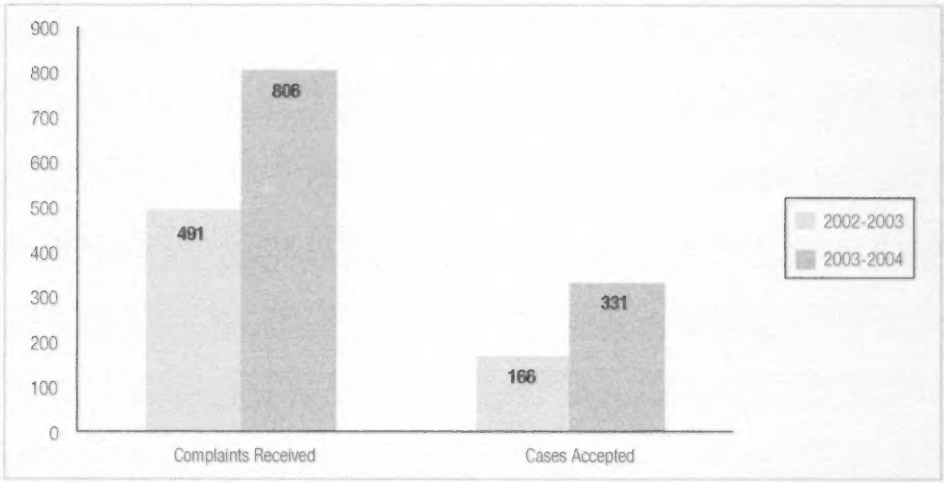
- questions regarding qualifications listed for a competitive process;
- concerns about a deployment;
- allegations of possible fraudulent practices in a selection process (e.g., forgery of an educational degree);
- problems with assessments; and
- concerns about the use of a department's delegated authority to staff positions.

If the allegations are founded, we prescribe corrective measures such as: removal of a candidate's name from an eligibility list established as a result of a competitive process; revocation of an appointment; and re-assessment of candidate(s).

Informal conflict resolution services: We also offer informal conflict resolution services – on recourse in staffing issues – to departments, unions, other organizations, and individuals. These services include:

- mediation;
- early intervention;
- training;
- coaching; and
- advice and assistance.

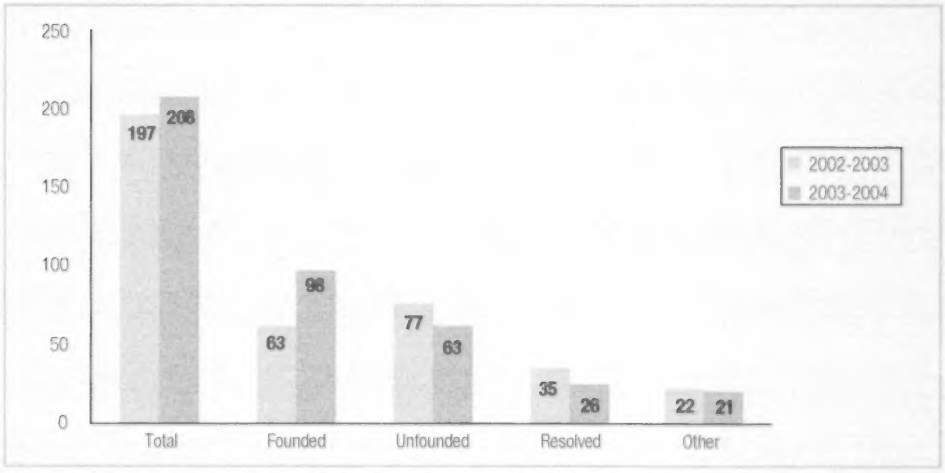
Investigations: Number of Complaints Received and Number of Cases Accepted



The significant increase in complaints received in 2003-2004 (64%) is attributed to several large groups of complaints concerning three separate departments or agencies and related to eligibility lists/competitive appointments, non-competitive appointments, requests for a review of qualifications listed for the position and delegation issues.

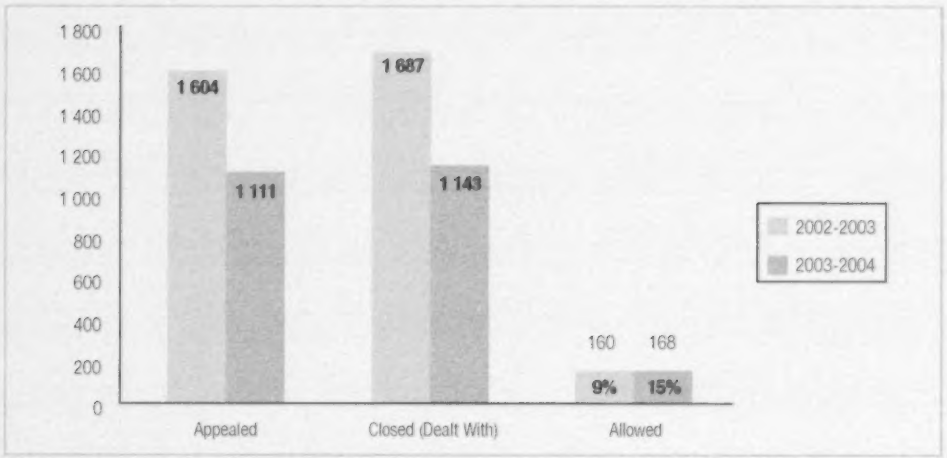
In 2003-2004, 41% of complaints received were opened for investigation, compared to 34% in 2002-2003.

Investigations: Number of Cases Closed (with outcomes)



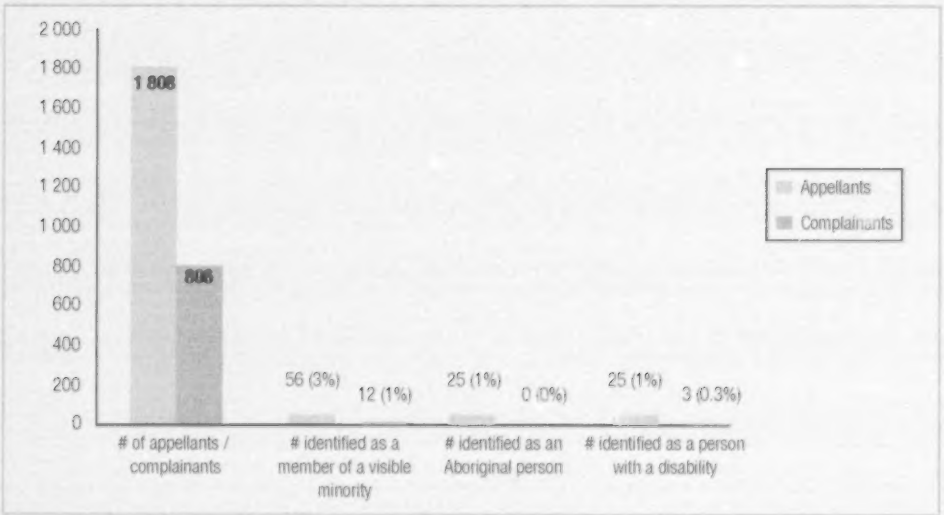
In 2003-2004, 47% of closed cases were founded, compared to 32% in 2002-2003; 23% were either resolved (i.e. mediation or some other no-fault resolution) or withdrawn, compared to 29% in 2002-2003.

Appeals: Number of Selection Processes Appealed (with outcomes)



Appeals in 2003-2004 were allowed for situations in which the selection boards made a variety of errors which affected the merit principle. These included: a failure to establish a minimum assessment standard for each qualification being assessed; improper tools, techniques, etc. used to assess qualifications; errors in marking and other procedural errors that resulted in fatal flaws to the merit principle; using acting appointments in an inappropriate manner; and giving unfair advantage to certain candidates.

Employment Equity Self-Identification Appeals / Investigations : 2003-2004



In 2003-2004, 106 (6%) appellants and 15 (2%) complainants have self-identified.

Some Recourse Actions

During this year, we were involved in a number of recourse processes. For example, we:

- revoked 10 appointments;
- removed 20 candidates from eligibility lists to prevent their appointment; and
- offered Early Intervention for 534 appeals, which was accepted by 40% of the cases.

4.3.3 CASE SUMMARIES

Involving nepotism and favouritism: An investigation into several allegations of nepotism and favouritism in hiring activities, specifically a manager who recruited family members and friends through term appointments and then moved them into indeterminate appointments.

The investigation determined that the allegations were founded and that these actions had a negative impact on the workplace. As a result, the PSC ordered the department to take corrective action which included:

- exercising greater control on casual and determinate employment;
- issuing a reminder to managers concerning the hiring of family members and friends;
- ensuring that the delegated authority to staff positions was removed from the manager in question for a period of two years; and
- reporting to us within a 12-month period on the implementation of all corrective actions required.

As well, we are making further investigations into the appointments that were made, to determine whether they should be revoked.

Involving an open competition: An investigation into an open competition determined that the rating scheme used to assess the qualifications of the candidates was flawed and, therefore, would not allow for appointments in accordance with the merit principle of the current PSEA. As a result, the PSC set aside the entire eligibility list established in this process and instructed the department to initiate a new process and re-assess all candidates.

Involving a closed competition: As a result of a Board of Inquiry, it was determined that the top-ranking candidate in the closed competition was a casual worker who was not eligible to compete in closed competitions. The candidate had knowingly made a false declaration about his/her employment status to the staffing consultant when applying for the position in question. We revoked the individual's appointment to the position and decided not to exercise our discretion to appoint him/her to another position within the federal Public Service, as allowed by paragraph 6(2) *b)* of the current PSEA.

CASE STUDY

A department conducted several identical closed competitions across the country for identical positions, using the same selection board, statement of qualifications, and assessment tools. Four of these processes were successfully appealed. As a result, an investigation was conducted into the other selection processes to determine if the same defect existed in these non-appealed results. It was determined through investigation that, in fact, the same problems did exist (i.e., problems with the assessment tools used, not all qualifications assessed). As a result, the department was required to implement the same corrective measures for all the selection processes where an appointment had been made, not just the four that were the subject of the allowed appeals.

These corrective measures included: reconvening the selection board and including a human resources consultant experienced in values-based staffing; setting aside the results of the flawed written test; designing a new assessment tool to assess the Knowledge and Abilities qualifications; and ensuring that all affected candidates were re-assessed.

4.4 RECOURSE IN TRANSITION

The PSMA (and the resulting new PSEA) establishes a new staffing recourse regime. It provides for early and informal resolution within a department, and in cases where there is no resolution, complaints may be brought to a new Public Service Staffing Tribunal for internal selection processes. When this Tribunal is operational, the appeals function under the current PSEA will cease to exist after all pending appeals are resolved.

Pursuant to the new PSEA, the PSC will investigate certain staffing situations such as: external appointments; internal appointments, if not delegated to the department; appointments involving possible political influence; and processes where fraud is suspected. The PSC may also, at the request of the deputy/agency head, investigate an internal appointment process that was conducted by a deputy/agency head exercising his/her delegated authority.

4.5 CONCLUSION

These oversight initiatives continue to ensure that, in a staffing system with thousands of transactions, problems that arise are addressed. This provides a basis for our overall confidence in the staffing system.

CHAPTER 5: BUILDING THE NEW PUBLIC SERVICE COMMISSION

CHAPTER 5: BUILDING THE NEW PUBLIC SERVICE COMMISSION

The core mandate of the Public Service Commission (PSC) remains as it has been since the Commission was created in 1908 – to oversee the staffing system. But the *Public Service Modernization Act* (PSMA), and particularly the new *Public Service Employment Act* (PSEA) it incorporates, contains significant changes that will affect our activities, our organizational structure, and our people. The new PSEA redefines the PSC's role in building a Public Service that serves Parliament and the people of Canada with professionalism and integrity.

We are continuing to ready our organization to fulfill our responsibilities under the new PSEA. By the end of 2005, the PSC will look much different. This chapter sets out our commitments and how we are defining and implementing our changed role.

5.1 THE NEW PSEA'S MODERNIZED APPROACH TO STAFFING

The preamble of the new PSMA sets out a vision for a federal Public Service that is merit-based, non-partisan, representative of Canada's diversity and able to serve the public in their official language of choice.

Achieving and maintaining such a Public Service depends in large part on the quality of the people hired. As in the past, Public Service appointments under the new PSEA are to be based on merit. However, for the first time, the Act clearly defines merit.[11]

Deputy/agency heads or their delegates are responsible for identifying the essential qualifications for a position. To be considered for a position, candidates must meet all the essential qualifications, including official language proficiency. Under the new PSEA, the delegated manager will be able to consider additional factors in selecting a candidate for appointment:

- additional requirements that would be an asset (e.g., the ability to speak a third language);
- the needs of the organization (e.g., a more representative workforce); and
- operational requirements (e.g., shift work).

11. The definition of merit returns to its original intent of ensuring that competence is the basis for appointments, by requiring an individual to meet the qualifications of the work. Merit also includes the legitimate consideration of operational requirements, and the needs of the organization.

The successful candidate for a position will now be the one who meets the essential qualifications for the position, and who best fits the delegated manager's broader set of requirements.

The preamble of the new PSMA expressly provides that delegation of staffing authority should be to as low a level as possible. With increased delegation and flexibility and the new definition of merit, departments will need to do more long-term human resources planning to identify their current and future needs, and to determine how to meet those needs. This longer-term view of staffing will allow departments to make more informed decisions' decisions that must still be founded on the core Public Service values.

Finally, the preamble recognizes that those to whom this appointment authority is delegated must exercise it within a framework that ensures they are accountable to the PSC, which is in turn accountable to Parliament.

The PSC will increasingly focus on its accountability to Parliament for ensuring that appointments to and within the Public Service are made fairly and impartially.

5.2 CHANGED ROLES AND RESPONSIBILITIES FOR THE PSC

Under the new PSEA:

- the PSC continues to have exclusive authority to make appointments to and within the Public Service;
- deputy/agency heads will receive greater delegation from the PSC but will remain fully accountable for the exercise of their delegated appointment responsibilities; and
- the PSC will remain accountable to Parliament for the overall integrity of appointments in the Public Service.

What this means is that the PSC will not be expected to operate the system, but we will be accountable and have to ensure that it works well. We will devote ourselves to this goal.

As departments and agencies assume more control over their appointment and human resources management functions, the PSC will increasingly focus on its accountability to Parliament for ensuring that appointments to and within the Public Service are made fairly and impartially.

The PSC has already begun. The new PSEA divests the PSC of its responsibilities for professional training and some aspects of recourse. Government restructuring provided an opportunity for the PSC to remove itself from its service roles in language training and corporate development programs.

As a result, Training and Development Canada and Language Training Canada have moved from the PSC to the Canada School of Public Service. Our development programs, including the Management Trainee Program, Career Assignment Program, Accelerated Economist Training Program, Accelerated Executive Development Program, Assistant Deputy Minister Pre-qualified Pool, and Interchange Canada, have joined the Public Service Human Resources Management Agency of Canada (PSHRMAC).

The new PSEA expands on the PSC's role related to the political activities of public servants.

With the creation of the new Public Service Staffing Tribunal, the PSC's appeals function will eventually disappear, and the Tribunal will decide on complaints arising from a department's internal staffing processes. We will, however, retain and refocus our investigation function as specified in the new PSEA.

The new PSEA expands on the PSC's role related to the political activities of public servants. In the upcoming year, the PSC will:

- develop a new regime to govern such activities – a regime that will balance the rights of employees to engage in political activities with the need to maintain the political neutrality of the Public Service;
- determine the policy and regulatory requirements governing requests for permission and leave to seek candidacy, possible limitations of political activities and investigations of allegations of improper political activities; and
- develop and communicate procedural requirements in these areas, as well as the capacity to administer requests and conduct investigations.

These changes will allow us to strengthen our core oversight role.

5.3 PUTTING IN PLACE AN INTEGRATED APPOINTMENT FRAMEWORK

The PSC is developing an appointment framework to ensure that departmental systems and processes continue to support the legislative requirements and respect the values that underlie the appointment system.

During the next year, the PSC will revise its policy, delegation and accountability programs and strengthen its audit capacity. Our approach includes:

- a belief that the integrity of the system, merit and non-partisanship are best protected through respect for the values of equity of access, fairness, and transparency and policies that guide deputy/agency heads in exercising the staffing authorities delegated to them;
- performance expectations for departments and agencies, identified in delegation and accountability agreements. Through their accountability reports, departments/agencies will report to the PSC on the implementation of their authorities and the results achieved;
- improved review and reporting mechanisms. The PSC will monitor and assess whether deputy/agency heads are exercising their authorities according to their delegation agreements and policies, and provide feedback and recommendations so deputy/agency heads can improve their performance and apply lessons learned;
- audits and investigations, not only when problems are brought to our attention, but also PSC-initiated, in order to examine any issue that we consider important; and
- reports to Parliament on the results of our assessments, audits and investigations and whether the overall system is operating effectively.

We will employ an approach based on risk management, consistent with the less prescriptive nature of the new PSEA and the government's broad approach to managing risk.

We believe this appointment framework will ensure the right balance between control and management flexibility, and accountability. The elements of this appointment framework are outlined in more detail in the sections that follow.

5.3.1 POLICY

The new PSMA maintains the requirement that Public Service appointments be made on the basis of merit, which has been defined. It does not, unlike the previous legislation, prescribe the details of the appointment processes for achieving this. However, deputy/agency heads will be bound by the PSC's policies and regulations on staffing.

The PSC will develop, in consultation with stakeholders such as human resources professionals, managers and employee representatives, an overarching set of policies applicable to departments and agencies. These are intended to guide departments and agencies in developing their own staffing programs and processes. These overarching policies will be founded on the principles set out in the preamble of the new PSMA.

These include:

- a Public Service based on merit and non-partisanship;
- a Public Service that strives for excellence, is representative of Canada's diversity and is able to serve the public with integrity and in their official language of choice;
- a Public Service whose members are drawn from across the country, and who reflect a myriad of backgrounds, skills and professions;
- a Public Service characterized by fair, transparent employment practices; and
- deputy/agency head accountability to the PSC for the proper use of delegated appointment authority; the PSC, in turn, is accountable to Parliament.

PSC policies and regulations will make it possible for departments to determine how the practical aspects of the appointment system will work in their organizations.

Our policy requirements will emphasize the core values of equity of access, fairness, and transparency that are highlighted in the preamble, and key legislative requirements from other parts of the Act. Public Service appointments will continue to be guided, as well, by other Acts such as the *Official Languages Act*, the *Employment Equity Act*, the *Canadian Human Rights Act*, and the *Charter of Rights and Freedoms* and related jurisprudence; and by the *Values and Ethics Code for the Public Service.*

PSC policies and regulations will make it possible for departments to determine how the practical aspects of the appointment system will work in their organizations. For example, we are working on a suite of new policies that will bring together employment equity considerations and requirements into the appointment system.

Other staffing-related policies, such as qualification standards, the definition of promotion, and recruitment to the Public Service, will no longer be the responsibility of the PSC. They will instead become the responsibility of the new PSHRMAC.

In addition to the policy requirements, we will establish a small number of guidelines providing practical direction to departments. These will identify legal requirements, illustrate best practices, and suggest how certain activities could be carried out.

Finally, we will set regulations where necessary to give effect to key provisions of the PSEA. For example, the new PSEA allows the PSC to make regulations to determine how employees are selected for lay-off.

The PSC will hold deputy/agency heads accountable for the extent to which their appointments respect these policy requirements, guidelines and regulations. We will adopt an approach that identifies the expected performance for the core values expressed in the new PSEA. We will identify the results departments and agencies are to achieve, rather than the processes they should follow to achieve these results. It will be up to each deputy/agency head to establish processes best suited for the department/agency's particular circumstances. This is a significant shift from past practice.

5.3.2 DELEGATION

The PSC already delegates much of its appointment authority to deputy/agency heads. The new PSEA encourages the PSC to go even further, and we intend to maximize delegation. This includes delegating authority for executive staffing as well as external recruitment.

As it does now, the PSC will sign Staffing Delegation and Accountability Agreements with deputy/agency heads. However, the new agreements will be simpler and shorter. They will also emphasize the PSC's expectations and accountability requirements.

The Staffing Delegation and Accountability Agreements, together with the PSC's non-prescriptive approach to appointment policy, will allow deputy/agency heads to adapt their staffing processes to meet their particular requirements.

The PSC will not direct how deputy/agency heads, in delegating staffing authority to as low a level as possible as required by the new PSEA, should hold their managers accountable for the exercise of sub-delegated authorities. However, deputy/agency heads will be responsible for the significant challenge of putting in place the appropriate departmental policies and management controls, processes and tools. They will also have to ensure their human resources staff and line managers receive adequate training to take advantage of the flexibilities in the new PSEA as well as to carry out their new responsibilities effectively.

5.3.3 ACCOUNTABILITY

Under the new PSEA, deputy/agency heads remain accountable to the PSC for the exercise of delegated appointment responsibilities, and the PSC remains accountable to Parliament for the integrity of appointments Public Service-wide.

To ensure we can fully account to Parliament, the PSC will strengthen its capacities for overseeing the system and for determining whether deputy/agency heads are exercising their authority appropriately.

Our oversight tools will include:

- the performance and accountability reports submitted by deputy/agency heads;
- the monitoring of appointment patterns;
- special studies and intelligence gathering; and
- audits and investigations.

As discussed in Chapter 4. the PSC will strengthen its audit function. We will conduct various types of audits: cyclical, issue-based (flowing from our risk management framework) and *ad hoc* or urgent (when the need for an immediate audit has been signaled). For the most part, the PSC's audit plan will focus on areas of highest risk. Our audit function will be objective, timely, cost-effective and carried out in compliance with auditing policies. The scope of an individual audit could range from a broad issue affecting the appointment system across departments, to a specific issue within one or more departments. Included in our audits will be a review of the adequacy of departmental management controls as well as the results achieved.

The PSC will have the power to conduct investigations into cases involving external staffing processes, non-delegated internal appointments and any appointment involving allegations of political influence or fraud. At the request of the deputy/agency head, the PSC will investigate delegated internal appointments.

Based on the conclusions of our oversight activities, the PSC will provide objective and regular feedback to departments so they can take action to improve their appointment processes. We expect that departments will implement the recommendations for improvement that emerge from our audits and investigations. We see this as a key component of our oversight role and of our commitment to a well functioning system. We see the audit process as the means through which many enhancements to the system will be identified.

Finally, we will report annually to Parliament on the state of the appointment system, and will produce special reports at other times on matters of particular urgency or importance. We will not hesitate to disclose serious failures of the staffing system and cases of fraud or other illegal activities.

5.3.4 SANCTIONS AND INTERVENTIONS

To ensure the integrity of the appointment system and as requested by the House of Commons Standing Committee on Public Accounts[12], we are considering the possibility of setting out sanctions "up front" in the Staffing Delegation and Accountability Agreements.

We see the audit process as the means through which many enhancements to the system will be identified.

Sanctions will be imposed under well-defined circumstances, when risk thresholds have been crossed, when departments are abusing appointment authorities or when managers are engaging in questionable behaviours.

We will take firm action – from imposing conditions on delegation to withdrawing some or all delegated authorities. The PSC could also require a department to revise its appointment program to address an ongoing issue, in which case we would clearly state the reasons why change is required and what needs to be changed. This would allow the deputy/agency head the flexibility to determine the most appropriate way to make the change.

5.4 PUTTING IN PLACE A NEW SERVICE AGENCY

The PSC will better distinguish between its roles as the overseer of Public Service staffing and as a provider of services to departments and agencies. To reinforce this distinction, we will create a separate agency within the PSC to deliver the general and central recruitment programs as well as the assessment services we currently provide.

By April 1, 2005, the new service agency will be in place, operating at arm's length from the Commission, headed by a senior Vice President reporting directly to the President. As discussed in Chapter 3, we believe this new agency will be well positioned to continue serving departments and agencies. In the coming year, the agency will focus its efforts on developing modernized recruitment and assessment programs, standardizing service levels to ensure the highest quality of service across Canada and strengthening its capacity to respond to client needs.

12. *Fourth Report of the Standing Committee on Public Accounts*, April 19, 2004, Recommendations 4 and 5.

The PSC will also continue to develop Web-based technology to manage increased volumes of job applications. This will be critical to the modernization of the delivery of our services and ultimately to the success of the federal Public Service as a competitor among major recruiters.

We will undertake consultations with departmental staffing representatives and managers to determine what other types of services a centralized service agency could provide.

We will create a separate agency within the PSC to deliver the general and central recruitment programs as well as the assessment services we currently provide.

5.5 FORGING NEW RELATIONSHIPS

The PSC does not report to a Minister except for purposes of the *Financial Administration Act* and for transmittal of its Annual Report to Parliament; it is an independent agency accountable to Parliament. We intend to build a stronger relationship with Parliament, not only through our Annual Report, but also through special reports and consultations with parliamentarians.

We are committed to:

- forming strategic alliances with other oversight agencies, including the Office of the Auditor General and the new Public Service Staffing Tribunal, to share information and best practices;
- working with PSHRMAC in areas of shared responsibility, such as the application of merit and the development of policies for qualification standards and the definition of promotion;
- seeking to integrate, to the greatest extent feasible, the PSC's and employer's reporting requirements, in order to minimize duplication and maximize the quality and quantity of the information provided;
- actively engaging departments and agencies in identifying the services and support they need, and indicating clearly what support we will and will not be able to furnish, within the limits of our resources and mandate;
- providing leadership, guidance and support to departments and agencies through information sessions, written communications and our Web site; and
- encouraging departments and agencies to work together on issues of common concern as they develop their staffing programs and services.

While the responsibility for day-to-day management of staffing will shift to deputy/agency heads, the PSC will continue to have a relationship with departments and agencies, given its oversight role and its accountability to Parliament for the application of merit Public Service-wide.

5.6 MOVING TOWARDS THE NEW APPROACH

Putting in place the new approach for staffing will require the commitment and collaboration of all stakeholders.

The PSC and all government organizations will require time to implement the substantial changes demanded by the new PSEA. The timetable, however, is tight. The appointment elements of the new PSEA are scheduled to go into effect in December 2005. There is much to do before then.

The PSC will:

- develop and implement the new appointment framework over the two-year period ending December 2005;
- consult broadly and inclusively during this time with parliamentarians, bargaining agents, departments/ agencies and other stakeholders, in order to make the transition as smooth as possible;
- inform departments in more detail, no less than a year before the roll-out of implementation, about how the system will function, allowing them time to prepare internally for the changes; and
- transform itself to focus more sharply on oversight, to expand both the size and the prominence of our audit capacity and to redirect our investigation capacity.

Departments and agencies, meanwhile, should prepare themselves for their increased responsibilities under the new PSEA. Deputy/agency heads must:

- understand the implications of the new PSEA for their organizations, including the new authorities they will receive and their related obligations;
- determine how they can take advantage of the new flexibility they will have for managing appointments, staffing, and human resources in general;
- if they have not already done so, integrate human resources planning into their ongoing business planning processes. This is key to a manager's ability to make appointment decisions quickly and in accordance with the core Public Service values. Informed human resources specialists will be essential in helping deputy/agency heads and managers understand the staffing values;
- put in place the necessary resources, tools and processes to manage staffing activities effectively and to meet their accountability and reporting requirements; and
- prepare to monitor the outcomes of their staffing activities and measure their progress against expected outcomes.

5.7 CONCLUSION

The PSC intends to exercise it responsibilities under the new PSEA in a manner that will promote a human resources management system that is more efficient, timely and flexible, and that meets the needs of departments and agencies. That system will provide Canadians with a talented and responsive Public Service to which and in which appointments are made fairly and impartially, with equitable access for all citizens to job opportunities.

Ultimately, responsibility for making the staffing system function effectively is shared by many – department and agency heads, managers, public servants, parliamentarians, unions, and the Canadian public. At the PSC, we look forward to the challenge of working with other stakeholders to make a shared vision a reality.

APPENDICES

APPENDIX 1: STATISTICAL INFORMATION AND TECHNICAL NOTES

The text of the Annual Report includes a number of graphs and tables, the data for which have been derived from a variety of sources. Explanations as to the derivation and source of this data is provided below. More complete data is available electronically at **www.psc-cfp.gc.ca/centres/annual-annuel/index_e.htm**

DATA SOURCE

The information on hiring and staffing activities is derived from data received from the incumbent file of the Public Service Human Resources Management Agency of Canada (PSHRMAC). This file is extracted from the Public Works and Government Services Canada pay system. The Appointment and Information and Analysis Directorate has developed a series of algorithms that are used against these files to produce the PSC official record of hiring and staffing activities across the federal Public Service based on pay transactions submitted by departments.

HIRING ACTIVITIES

Hiring activities refer to appointments to the Public Service, hiring of casuals as per the *Public Service Employment Act* (PSEA), section 21.2 and the recruitment of students under the *Student Employment Programs Exclusion Approval Order* and *Regulations*.

STAFFING ACTIVITIES

Staffing activities refer to appointments made under the PSEA. An appointment to the Public Service includes the appointment of a person from the general public or the appointment of an employee from a government department or agency which is not subject to the PSEA. Staffing activity within the Public Service includes all appointments and/or deployments of employees within or between departments or agencies, which are subject to the PSEA.

DEFINITIONS

Acting Appointment

An acting appointment is the temporary assignment of an employee to the duties of a higher level position (i.e. one with a maximum rate of pay that would constitute a promotion). Only acting appointments of more than four months are reported.

Casual Employment

Casual employment is a short-term employment option to hire persons to the Public Service for a period not exceeding 90 calendar days at one time nor for more than 125 working days within any 12-month period in any one department. None of the provisions of the PSEA (other than those authorizing the making of such appointments) apply to these hires.

Employment Equity

Employment equity designated groups as defined by the *Employment Equity Act* include Aboriginal peoples, persons with disabilities, members of visible minorities and women. Data on Aboriginal peoples, persons with disabilities and members of visible minorities are obtained by matching employee data with the PSHRMAC Employment Equity Data Bank. Data on women are obtained from the Public Works and Government Services Canada pay system.

First Official Language

Under the *Official Languages Act*, Canada's official languages are English and French. Percentages for language group components are calculated using known language group as the respective denominators. Percentages for the totals are calculated on the sum of all components, known and unknown.

Indeterminate Employment

Indeterminate employment is part-time or full-time employment of no fixed duration.

Promotion

A promotion is the appointment of an employee to a position at a higher level (in the same occupational group or sub-group, or in another group or sub-group) for which the maximum rate of pay exceeds that of the former position by an amount equal to or greater than the lowest pay increment of the new position. When the new position has no fixed pay increments, the increase must be at least four percent of the maximum rate of pay of the former position.

Specified Period (Term) Employment

Specified period employment is part-time or full-time employment of a fixed duration.

Student Hiring

The *Student Employment Programs Exclusion Approval Order* and *Regulations* that took effect on April 9, 1997, excludes students from the operation of the PSEA with the exception of subsections 16(4) and 17(4) which deal with citizenship. These recruits are no longer considered appointments to the Public Service under the PSEA. For student programs, no occupational group is specified.

APPENDIX 2: EXCLUSION APPROVAL ORDER

Exclusion Approval Order for the Appointment of One Person to a Position in the Public Service Commission (P.C. 2004-37, February 3, 2004)

This Exclusion Approval Order is needed to regularize the situation of G. Plouffe by promoting her to a Financial Analyst position classified at level 2 of the Financial Administration Group (FI).

Due to special circumstances that are specific to this case, the Order facilitates the appointment of G. Plouffe by excluding it from the operation of sections 10 and 12 of the *Public Service Employment Act* related to merit and standards for selection and assessment, subsection 21(1.1) of the same Act related to appeals, subsections 29(3), 30(1) and (2), and 39(3) and (4), and from the operation of any regulations made under paragraph 35(2)a) of the said Act respecting priority entitlements for appointment.

APPENDIX 3: PERSONAL EXCLUSIONS

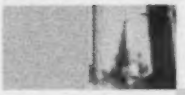
From April 1, 2003 to March 31, 2004, in addition to the general exclusions, 24 persons were excluded from the application of the *Public Service Employment Act* when appointed to Public Service positions for a period specified in the exclusion approval orders, or to hold office "during pleasure" that is, the appointment may be revoked at any time by the Governor-in-Council.

Order in Council Number	Duration	Name	Title
P.C. 2003-523 2003.04.11	During pleasure effective June 2, 2003	Robert A. Wright	Associate Secretary to the Cabinet, Deputy Minister to the Deputy Prime Minister and Security and Intelligence Coordinator
P.C. 2003-527 2003.04.11	During pleasure effective April 14, 2003	Marc Lafrenière	Deputy Minister of the Economic Development Agency of Canada for the Regions of Quebec
P.C. 2003-529 2003.04.11	During pleasure effective June 16, 2003	Gaëtan Lavertu	Special Advisor to the Minister of Foreign Affairs
P.C. 2003-536 2003.04.11	During pleasure effective April 22, 2003	Peter Harrison	Senior Research Fellow, Department of Industry
P.C. 2003-540 2003.04.11	During pleasure effective April 22, 2003	Mario Dion	Executive Director and Deputy Head, Office of Indian Residential Schools Resolution of Canada
P.C. 2003-542 2003.04.11	During pleasure effective June 16, 2003	Jocelyne Bourgon	Special Advisor to the Minister of Foreign Affairs
P.C. 2003-546 2003.04.11	During pleasure effective June 16, 2003	Christiane Ouimet	Associate Deputy Minister of Public Works and Government Services
P.C. 2003-618 2003.05.01	During pleasure effective June 23, 2003	Nawal Kamel	Special Advisor to the Deputy Minister of Natural Resources
P.C. 2003-718 2003.05.16	During pleasure effective May 31, 2003	Dennis Wallace	Special Advisor to the Minister of Industry
P.C. 2003-804 2003.06.02	During pleasure effective June 2, 2003	Paul-André Massé	Special Advisor to the Chairperson of the Canadian Forces Grievance Board
P.C. 2003-1032 2003.06.19	During pleasure effective July 2, 2003	Munir Sheikh	Associate Deputy Minister of Finance
P.C. 2003-1034 2003.06.19	During pleasure effective July 2, 2003	Janice Charette	Associate Deputy Minister of Health

Continued on next page

PERSONAL EXCLUSIONS

Order in Council Number	Duration	Name	Title
P.C. 2003-1036 2003.06.19	During pleasure effective July 2, 2003	Michael Wernick	Deputy Secretary to the Cabinet (Plans and Consultations), Privy Council Office
P.C. 2003-1038 2003.06.19	During pleasure effective July 2, 2003	Diane Vincent	Associate Deputy Minister of Citizenship and Immigration
P.C. 2003-1815 2003.11.18	During pleasure effective November 20, 2003	Nurjehan N. Mawani	Senior Advisor to the President of the Canadian Centre for Management Development
P.C. 2003-1857 2003.11.19	During pleasure effective November 19, 2003	Bernard Grenier	Special Advisor to the Minister of Justice, Criminal Conviction Review Group
P.C. 2003-2108 2003.12.12	During pleasure effective December 12, 2003	Monique Boudrias	Executive Vice-President, Public Service Human Resources Management Agency of Canada
P.C. 2003-2111 2003.12.12	During pleasure effective December 12, 2003	John Adams	Commissioner, Canadian Coast Guard
P.C. 2003-2113 2003.12.12	During pleasure effective December 12, 2003	Michelle Chartrand	President, Public Service Human Resources Management Agency of Canada
P.C. 2003-2115 2003.12.12	During pleasure effective December 12, 2003	Catherine (Cassie) Doyle	Associate Deputy Minister of the Environment
P.C. 2003-2119 2003.12.12	During pleasure effective December 12, 2003	Alain Jolicoeur	President, Canada Border Services Agency
P.C. 2003-2121 2003.12.12	During pleasure effective December 12, 2003	Robert A. Wright	Associate Secretary to Cabinet and National Security Advisor to the Prime Minister
P.C. 2003-2124 2003.12.12	During pleasure effective December 12, 2003	Jonathan Fried	Senior Foreign Policy Advisor to the Prime Minister and Head, Canada-United States Secretariat, Privy Council Office
P.C. 2003-2128 2003.12.12	During pleasure effective December 12, 2003	Wayne Wouters	Deputy Minister of Human Resources and Skills Development
P.C. 2003-2130 2003.12.12	During pleasure effective December 12, 2003	Maryantonett Flumian	Associate Deputy Minister of Human Resources and Skills Development



Appendix 4: 2002-2003 REPORTING DEPARTMENTS AND AGENCIES

Small Organizations fewer than 350 employees		Medium/Large Organizations more than 350 employees	
Acronym	Department/Organization	Acronym	Department/Organization
APT	Canadian Artists and Producers Professional Relations Tribunal	ACO	Atlantic Canada Opportunities Agency
ATN	Canadian Transportation Agency	AGR	Department of Agriculture and Agri-Food
AVC	Veterans Review and Appeal Board	ARC	National Archives of Canada
BCO	International Trade Tribunal	CGC	Canadian Grain Commission
CAT	Civil Aviation Tribunal	CIO	Canada Information Office
CCF	Canadian Firearms Centre	CSA	Canadian Space Agency
CEO	Office of the Chief Electoral Officer	DFO	Department of Fisheries and Oceans
CLD	Law Commission of Canada	DND	Department of National Defence
CLR	Canada Industrial Relations Board	DOE	Department of the Environment
CMG	Canadian Centre for Management Development	DUS	Department of Industry
COL	Commissioner of Official Languages	DVA	Department of Veterans Affairs
CPM	Military Police Complaints Commission	EXT	Department of Foreign Affairs and International Trade
CST	NAFTA Secretariat – Canadian Section	FCT	Registry of the Federal Court of Canada
CSW	Co-ordinator Status of Women	FIN	Department of Finance
EAA	Canadian Environmental Assessment Agency	FRD	Economic Development Agency of Canada for the Regions of Quebec
ENR	National Energy Board	IAN	Department of Indian Affairs and Northern Development
FCG	Canadian Forces Grievance Board	IDA	Canadian International Development Agency
FNA	Financial Consumer Agency of Canada	IMC	Department of Citizenship and Immigration
FPN	National Farm Products Council	IRB	Immigration and Refugee Board
GGS	Office of the Governor General's Secretary	JUS	Department of Justice
HRC	Canadian Human Rights Commission	MOT	Department of Transport
IJC	International Joint Commission	NLI	National Library of Canada
INF	Office of Infrastructure of Canada	PCH	Department of Canadian Heritage
IOG	Indian Oil and Gas	PCO	Privy Council Office
IPC	Information and Privacy Commissioners	PEN	Correctional Service of Canada
IRA	Office of Indian Residential Schools Resolution of Canada	PPT	Passport Office (Reports to DM and EXT)

Continued on next page

2002-2003 REPORTING DEPARTMENTS AND AGENCIES

Small Organizations fewer than 350 employees		Medium/Large Organizations more than 350 employees	
Acronym	Department/Organization	Acronym	Department/Organization
MHI	Hazardous Materials Information Review of Canada	PSC	Public Service Commission
NPB	National Parole Board	RCM	Royal Canadian Mounted Police (Civilian Staff)
OCI	Office of the Correctional Investigator	REH	Department of Human Resources Development
PTP	Canadian Human Rights Tribunal	RSN	Department of Natural Resources
REC	Royal Canadian Mounted Police External Review Committee	RTC	Canadian Radio-television and Telecommunications Commission
RPP	Royal Canadian Mounted Police Public Complaints Commission	SHC	Department of Health
SOL	Department of the Solicitor General	SIF	Office of the Superintendent of Financial Institutions
SRB	Public Service Staff Relations Board	STC	Statistics Canada
SUC	Office of the Registrar of the Supreme Court of Canada	SVC	Department of Public Works and Government Services
TSB	Canadian Transportation Accident Investigation and Safety Board	TCC	Registry of the Tax Court of Canada
WCO	Department of Western Economic Diversification	TBD	Treasury Board Secretariat

OFFICES OF THE PUBLIC SERVICE COMMISSION

OFFICES OF THE PUBLIC SERVICE COMMISSION

All PSC offices provide services in both official languages.

Internet

PSC Corporate Web site:
www.psc-cfp.gc.ca
PSC Recruitment site: **jobs.gc.ca**
E-mail: **infocom@psc-cfp.gc.ca**

Headquarters

L'Esplanade Laurier, West Tower
300 Laurier Avenue West
Ottawa, Ontario K1A 0M7
Information: (613) 992-9562
Facsimile: (613) 992-9352

Regional and District Offices

Atlantic

Regional Office

1505 Barrington Street, 17th Floor South
P.O. Box 1664, CRO
Halifax, Nova Scotia B3J 3V3
Information: (902) 426-2171
Facsimile: (902) 426-7277

District Offices

1505 Barrington Street, 17th Floor North
P.O. Box 1664, CRO
Halifax, Nova Scotia B3J 3V3
Information: (902) 426-4698/
1-800-645-5605
Facsimile: (902) 426-0507
TTY: (902) 426-6246

777 Main Street, 7th Floor
Moncton, New Brunswick E1C 1E9
Information: (506) 851-6620/
1-800-645-5605
Facsimile: (506) 851-6618
TTY: (506) 851-6624

Baine Johnston Centre, 1st Floor
10 Fort William Road
St. John's, Newfoundland and Labrador
A1C 1K4
Information: (709) 772-0458/
1-800-645-5605
Facsimile: (709) 772-4316
TTY: (709) 772-4317

119 Kent Street, Suite 420
Charlottetown, Prince Edward Island C1A 1N3
Information: (902) 566-7030/
1-800-645-5605
Facsimile: (902) 566-7036
TTY: (902) 566-7039

Quebec

Regional Office

200 René-Lévesque Boulevard West
East Tower, 8th Floor
Montréal, Quebec H2Z 1X4
Information: 1-800-645-5605
Facsimile: (514) 496-2404
TTY: 1-800-532-9397

District Office

Champlain Harbour Station
901 Cap Diamant Street, Room 349
Québec, Quebec G1K 4K1
Information: 1-800-645-5605
Facsimile: (418) 648-4575
TTY: 1-800-532-9397

National Capital and Eastern Ontario

Regional Office

66 Slater Street, 3rd Floor
Ottawa, Ontario K1A 0M7
Information: 1-800-645-5605
Facsimile: (613) 996-8048
TTY: 1-800-532-9397

Central and Southern Ontario

Regional Office

1 Front Street West, 6th Floor
Toronto, Ontario M5J 2X5
Information: (416) 973-3131/
1-800-387-0776
InfoTel: 1-800-645-5606
TTY: (416) 973-2269
Facsimile: (416) 973-1883
E-mail: **psctor@psc-cfp.gc.ca**

Central Prairies

Regional Office

320 Donald Street, 1st Floor
Winnipeg, Manitoba R3B 2H3
Information: (204) 983-2486/
1-800-645-5606
Facsimile: (204) 983-3766
TTY: (204) 983-6066

District Offices

320 Donald Street, 1st Floor
Winnipeg, Manitoba R3B 2H3
Information: (204) 983-2486/
1-800-645-5605
Facsimile: (204) 983-8188
TTY: (204) 983-6066

2220 12th Avenue, Room 400
Regina, Saskatchewan S4P 0M8
Information: (306) 780-5720/
1-800-645-5605
Facsimile: (306) 780-5723
TTY: (306) 780-6719

Western and Northern Region

Regional Office

9700 Jasper Avenue, Room 830
Edmonton, Alberta T5J 4G3
Information: (780) 495-6134/
1-800-645-5605
Facsimile: (780) 495-3145
TTY: 1-800-532-9397

District Offices

757 West Hastings Street, Suite 210
Vancouver, British Columbia V6C 3M2
Information: (604) 666-7026/
1-800-645-5605
Facsimile: (604) 666-6808
TTY: 1-800-532-9397

1230 Government Street, Suite 539
Victoria, British Columbia V8W 3M4
Information: (250) 363-0588/
1-800-645-5605
Facsimile: (250) 363-0558
TTY: (250) 363-0564

300 Main Street, Suite 400
Whitehorse, Yukon Y1A 2B5
Information: (867) 667-3900/
1-800-645-5605
Facsimile: (867) 668-5033
TTY: (867) 668-4107

4914 50th Street
P.O. Box 2730
Yellowknife, Northwest Territories X1A 2R1
Information: (867) 669-2440/
1-800-645-5605
Facsimile: (867) 669-2448

P.O. Box 1990
Building 917, Suite 1
Iqaluit, Nunavut X0A 0H0
Information: (867) 979-2990/
1-800-645-5605
Facsimile: (867) 979-2897

BIOGRAPHIES

MARIA BARRADOS, President

Ms. Maria Barrados was confirmed as President of the Public Service Commission of Canada effective May 21, 2004. She had served as interim President since November 2003. From December 1993 to that date, she was Assistant Auditor General, Audit Operations, at the Office of the Auditor General of Canada.

Educated as a sociologist, Ms. Barrados has a wealth of knowledge of and a solid background in audit, evaluation and statistical analysis. In 1975, she began her career as a Lecturer and later a Research Project Supervisor at Carleton University. In March 1985, she joined the Office of the Auditor General, where she held positions of increasing responsibility in the Audit Operations Branch. She chaired executive committees on value-for-money and professional practices, representing the Office of the Auditor General at parliamentary hearings and meetings with ministers and senior officials. She was responsible for many financial and value-for-money audits, including audit work related to results measurement, accountability, human resources management and Public Service renewal.

Ms. Barrados is also involved in her community. She is a member of the Salvation Army Advisory Board of Ottawa and the Ottawa Grace Manor Board. In the recent past she worked at the Ottawa Hospital as a member of the Board of Trustees, and as Chair of the Quality and Finance committees of the Board of Trustees.

Ms. Barrados obtained a B.A. with high honours in Sociology from the University of Saskatchewan in 1966. She also has an M.A. in Sociology from McGill University (1970) and a Ph.D. in Sociology from Carleton University (1978).

She is a recipient of the Confederation Medal (1992).

MANON VENNAT, Commissioner

Effective June 10, 2004, Ms. Manon Vennat was confirmed as a part-time Commissioner of the Public Service Commission of Canada. She will hold office for a term of seven years.

Ms. Vennat, a lawyer by profession, is currently Chairperson of Spencer Stuart (Montréal), an international executive search firm.

She joined the Company of Young Canadians in 1966 as Director of Legal Affairs and Executive Assistant to the Director General. Prior to founding *Le Centre de linguistique de l'entreprise de Montréal*, where she was Executive Director until 1980, she held various positions with the Government of Canada. Ms. Vennat represented the private sector in government legal and regulatory dossiers in Québec and Ottawa and took part in a number of federal government task forces and advisory groups.

She is currently Chairperson of the Board of Directors of the McCord Museum of Canadian History and she sits on the boards of various organizations, including McGill University and until very recently the Institute for Research on Public Policy. She is a former member of the Public Policy Forum, where she was honoured in 2001 for her contribution to public sector management and public policy in Canada.

Prior to her joining Spencer Stuart in 1986, Ms. Vennat was Vice-President, Administration, General Counsel and Secretary to the Board of Directors at AES Data. Ms. Vennat holds a Ph.D. (honoris causa) from the University of Ottawa. She is a member of the Quebec Bar and a member of the Order of Canada.

DAVID ZUSSMAN, Commissioner

On June 10, 2004, Mr. David Zussman was confirmed as a part-time Commissioner of the Public Service Commission of Canada to hold office for a term of seven years.

Mr. Zussman has had a varied career in government, the private sector and in academia and is a recognized authority on public sector management, public administration and public policy. He has been closely involved in some of the most exciting developments in Canada in public sector governance and alternative service delivery over the past 15 years. For example, in 1993, Mr. Zussman was responsible for the transition of the newly elected government and then, in 1994, he was appointed Assistant Secretary to the Cabinet for Program Review and Machinery of Government, to help the government implement its commitment to a fundamental review of federal spending.

In 1995, Mr. Zussman joined the Public Policy Forum, an organization committed to bridging the gap between government, business, labour and the voluntary sector. He was appointed President in 1996, and remained in that position until joining EKOS Research Associates Inc. in 2003. Currently, Mr. Zussman is Executive Vice-President and Chief Operating Officer of EKOS.

Mr. Zussman has served in a number of positions at the University of Ottawa. He was Assistant and Associate Dean of Graduate Programs (School of Management) and Dean of the School of Management from 1988 to 1992. During that time he was a Professor of Public Policy and Management and taught in the Executive MBA Program until 2004. He is also an adjunct professor at the University of Canberra (Australia).

Mr. Zussman has published articles and books on public management and policy making in Canada, and is the author and co-author of many publications, including *Alternate Service Delivery: Sharing Governance in Canada* and *The Vertical Solitude: Managing in the Public Service*. He writes a monthly public policy column for the Ottawa Citizen.

He sits on numerous public and private sector advisory boards and boards of directors. In 2003, he was awarded the Public Service Citation Award by the Association of Professional Executives of the Public Service of Canada (APEX).

ADDENDUM

This text replaces the "Canada Border Services Agency" section of Chapter 1, page 6 of the *Public Service Commission of Canada 2003-2004 Annual Report*.

Canada Revenue Agency

The Canada Customs and Revenue Agency (CCRA) was established in 1999, and was not subject to the current *Public Service Employment* Act (PSEA) staffing regime; therefore, it did not require delegated authority from the Public Service Commission (PSC). It was a separate employer with its own appointing authority. It developed its own staffing program, policies, and practices, including pre-qualification processes, and conducted executive level staffing, general recruitment and student hiring. The Agency developed its own recourse system for staffing, which is based on open communication between employees and managers, and timely resolution of employee concerns related to staffing actions.

The CCRA became the Canada Revenue Agency (CRA) in December 2003 as a result of the Government's reorganization that transferred the Customs portion of the CCRA to the Customs Border Services Agency (CBSA).

Under the *Canada Customs and Revenue Agency Act*, the PSC is responsible for determining if the Agency's staffing principles are compatible with those governing staffing under the PSEA. If the principles are compatible, CRA employees are able to deploy into organizations governed by the PSEA.

In fulfilling our mandate, the PSC has reported on this issue in its annual reports beginning in 2000-2001. Over the course of this past year (2003-2004) the PSC continued to conclude that the principles governing staffing at CRA are compatible with the principles governing staffing under the PSEA and that CRA respects these principles in implementing its staffing program. Furthermore, the PSC has found the Agency's staffing program consistent with the principles outlined in the summary of its corporate business plan.

In 2004-2005 the PSC will prepare a summary assessment of its work with CRA in preparation for the Five-Year Parliamentary Review of the CRA's legislation.

Canada Border Services Agency

The Canada Border Services Agency (CBSA) was created from three departments, as a result of the Government's reorganization in December 2003. The core of the Agency is the Customs component of the former Canada Customs and Revenue Agency (CCRA). This change posed a major human resources challenge, in that CCRA and CBSA operate under different staffing authorities and staffing regimes.

CBSA is subject to the current *Public Service Employment* Act (PSEA). To help make the transition a smooth one, the Public Service Commission (PSC) worked with CBSA to determine which of CCRA's practices could be retained in light of authorities under both the current and new *Public Service Employment Acts*. Because most of the new Agency's proposed staffing practices will be allowed under the new PSEA, we maximized the delegation of authority in our initial delegation agreement in December 2003. The agreement was finalized in June 2004. CBSA now has the required recruitment authorities, executive appointment authorities, and pre-qualified pools (PQPs) authorities. In addition, the PSC has recognized previously established PQPs.

Our preparations for the implementation of the new PSEA showed us where current flexibilities exist and helped us put in place for the CBSA a delegation agreement that provides all the necessary tools. This experience will be useful in identifying best practices and possible policy or accountability requirements in the future.